JMMB GROUP LIMITED

Financial Statements
31 March 2025

Draft date: 31 May 2025

JMMB GROUP LIMITED

Index

31 March 2025

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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 9 to 121, which comprise the Group's and Company's statements of financial position as at 31 March 2025, the Group's profit or loss account, the Group's and Company's statements of profit or loss and other comprehensive income, changes in stockholders' equity and cash flows for the year then ended, and notes, comprising material 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 2025, and of the Group's and Company's financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and in the manner required by 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 Group and the Company in accordance with the International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants, including International Independence Standards (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
JMMB GROUP LIMITED

Report on the Audit of the Financial Statements (Continued)

Key Audit Matters

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

1. Fair value of investments

Key Audit Matter *[see notes 16 and 33 f*or further disclosures *Investment Securities*: Group: $316,483,870,000 (2024: $320,178,779,000].	*How the matter was addressed in our audit*
A significant portion of the Group's investment securities measured at fair value are instruments for which quoted prices are not available. Valuation of these investments, although based on mainly observable market inputs, requires significant estimation. The Group used valuation techniques which involve inputs such as market yields obtained from established yield curves which are impacted by uncertainty of market factors. Though market conditions have improved there has been continued volatility of prices in various markets which has increased estimation risk for yields and prices used in determining fair values. The significant estimation uncertainty in deriving these yields and prices increases the risk of material misstatement and hence is an area of increased audit focus.	Our procedures in this area included, in the main, the following: • Assessing and testing the design and operating effectiveness of the Group's controls over the determination and computation of fair values. • Assessing the reasonableness of significant assumptions used by the Group. • Involving our own valuation specialists to assist us to determine or obtain yields or prices of specific securities and comparing these yield or prices to those used by the Group. • Assessing the adequacy of the disclosures surrounding the key judgements and estimation uncertainty included in the financial statements.

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 32(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 the Group to make significant judgements and assumptions. The key areas that required greater management judgement included the determination of significant increase in credit risk ('SICR'), the determination of probability of default, loss given default, exposures at default and the application of forward-looking information.	Our procedures, in the main, in this area included the following: • Obtaining our 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 implementation of the controls over the determination of expected credit losses. • Testing the completeness and accuracy of the data used in the models to the underlying accounting records on a sample basis. • Involving our own financial risk modelling specialists to assist us in evaluating the appropriateness of the Group's impairment methodologies, including the SICR criteria used, independently assessing certain assumptions for probability of default, loss given default, exposure at default and the incorporation of forward-looking information.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
JMMB GROUP LIMITED

Report on the Audit of the Financial Statements (Continued)

Key Audit Matters (continued)

2. *Measurement of expected credit losses on financial assets* (continued)

Key Audit Matter *[see notes 31(b)]*	*How the matter was addressed in our audit*
Significant management judgement and assumptions are also used in determining the appropriate variables and assumptions in the model used to measure of the expected credit losses. The use of these judgements and assumptions increases the risk of material misstatement and is therefore an area of increased audit focus.	Our procedures, in the main, in this area included the following (continued): • Evaluating the adequacy of the financial statements' disclosures including disclosures of the key assumptions and judgements, for compliance with IFRS 9.

3. *Impairment assessment of investment in associates*

Key Audit Matter *Interest in Associates:* $46,730,016 (2024: $44,873,796) *[see note 18]*	*How the matter was addressed in our audit*
The market capitalisation of the Group's shareholding in the associated company is below its carrying value, determined using equity accounting. This is considered to be an indicator of impairment for which the Group performed a formal impairment assessment.	Our procedures, in the main, in this area included the following: • Involving our own valuation specialists to assist us in evaluating the Group's calculation of the recoverable amount of the investment and evaluating the assumptions and methodology used. • Comparing the Group's assumptions to externally derived data as well as our assessment of key inputs such as discount rate. • Evaluating the Group's assessment of the forecast performance of its investment by comparing projected results with historical performance as well as our own assessment based on our knowledge of the industry.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
JMMB GROUP LIMITED

Report on the Audit of the Financial Statements (Continued)

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditors' report thereon. The annual report is expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting Standards and in the manner required by 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 Group's and 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 Group and/or the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is included in the Appendix to this auditors' report. This description, which is located at pages 7-8, forms part of our auditors' report.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
JMMB GROUP LIMITED

Report on additional matters as required by the Jamaican Companies Act

We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

In our opinion, proper accounting records have been maintained, so far as appears from our examination of those records, and the financial statements, which are in agreement therewith, give the information required by the Jamaican Companies Act in the manner required.

The engagement partner on the audit resulting in this independent auditors' report is Karen Ragoobirsingh.

KPMG

Chartered Accountants
Kingston, Jamaica

May 31, 2025

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 and the Company'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 Group's and 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 Group and/or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

To the Members of
JMMB GROUP LIMITED

Appendix to the Independent Auditors' report (Continued)

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

JMMB GROUP LIMITED

Consolidated Profit or Loss Account

Year ended 31 March 2025

(expressed in Jamaican dollars unless otherwise indicated)

	Notes	2025 $'000	2024 $'000
Net Interest Income and Other Revenue			
Interest income from loans and securities, calculated using the effective interest method	5	40,929,691	40,580,899
Interest expense	5	(29,615,182)	(29,830,512)
Net Interest Income		**11,314,509**	**10,750,387**
Fee and commission income		2,826,334	2,976,537
Gains on securities trading, net		5,786,418	5,852,097
Fair value gains on investment properties	19	352,965	163,662
Net loss from financial assets at fair value through profit or loss		274,726	(214,858)
Fees earned from managing funds on behalf of clients		2,436,101	2,389,990
Foreign exchange margins from cambio trading		1,824,397	1,703,319
Dividend Income		404,140	263,538
Operating Revenue Net of Interest Expense		**25,219,590**	**23,884,672**
Other income			
Other		4,442	162,281
		25,224,032	**24,046,953**
Operating Expenses			
Staff costs	6	(11,431,412)	(11,666,899)
Other expenses	7	(12,389,805)	(11,132,598)
		(23,821,217)	(22,799,497)
		1,402,814	**1,247,456**
Impairment loss on financial assets	8	(1,895,351)	(12,621,078)
Share of profit of associate	18	2,674,357	20,286,594
Finance cost		(1,754,059)	(1,592,681)
Impairment loss on associate	18	(64,621)	
Impairment loss on non-financial assets	20	(21,951)	-
Gain on disposal of property, plant and equipment		1,237,024	-
Ganis on disposal of investment property		215,099	-
Profit before Taxation		**1,793,312**	**7,320,291**
Taxation	9	1,945,999	4,531,293
Profit for the Year		**3,739,311**	**11,851,584**
Attributable to:			
Stockholders of the parent		3,513,349	11,537,728
Non-controlling interest	31	225,962	313,856
		3,739,311	**11,851,584**
Basic and diluted earnings per stock unit	10	**$1.80**	**$5.92**

The notes on pages 20 to 121 are an integral part of these financial statements.

JMMB GROUP LIMITED

Consolidated Statement of Profit or Loss and Other Comprehensive Income

Year ended 31 March 2025

(expressed in Jamaican dollars unless otherwise indicated)

	Notes	2025 $'000	2024 $'000
Profit for the Year		**3,739,311**	**11,851,584**
Other comprehensive income			
Item that will not be reclassified to profit or loss:			
Unrealised gain on equity securities at fair value through other comprehensive income (FVOCI)		180,270	770,136
Items that are or may be reclassified to profit or loss:			
Realised (loss)/gains on debt securities at FVOCI reclassified to gains on securities trading		(184,107)	387,620
Unrealised gains on debt securities at FVOCI		654,013	6,278,333
Related tax on unrealized gains and loss debt securities at FVOCI	22	(1,001,274)	(1,581,571)
Share of other comprehensive (loss)/gains of associate	18	(1,057,777)	766,634
Foreign exchange differences on translation of foreign Subsidiaries		(850,757)	(1,480,411)
Total other comprehensive (loss)/income, net of tax		(2,259,632)	5,140,741
Total comprehensive income for the year		**1,479,679**	**16,992,325**
Total comprehensive income attributable to:			
Equity holders of the parent		1,230,636	16,366,149
Non-controlling interest	31	249,043	626,176
		1,479,679	**16,992,325**

JMMB GROUP LIMITED

Consolidated Statement of Financial Position

31 March 2025

(expressed in Jamaican dollars unless otherwise indicated)

	Notes	2025 $'000	2024 $'000
Cash and cash equivalents	12	39,490,910	36,210,979
Balance with the Central Bank		28,262,040	26,013,733
Interest receivable		6,049,404	5,590,029
Income tax recoverable, net		447,040	515,973
Loans and notes receivable, net	13	217,236,833	198,943,622
Other receivables	14	13,731,453	10,738,240
Resale agreements, net	15	2,030,601	1,007,544
Investment securities, net	16	316,483,870	320,178,779
Interest in associates	18	46,782,869	44,873,796
Investment property	19	3,654,181	3,098,043
Intangible assets	20	4,146,345	4,430,502
Property, plant and equipment	21	3,893,499	3,959,005
Deferred tax assets	22	21,469,636	18,903,142
Right-of-use assets	23	1,783,664	637,510
		705,462,345	**675,100,897**

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JMMB GROUP LIMITED

Consolidated Statement of Financial Position (Continued)

31 March 2025

(expressed in Jamaican dollars unless otherwise indicated)

	Notes	2025 $'000	2024 $'000
STOCKHOLDERS' EQUITY			
Share capital	24	14,094,834	14,113,865
Retained earnings reserve	25(a)	9,605,055	9,605,055
Investment revaluation reserve	25(b)	(9,227,444)	(7,927,633)
Cumulative translation reserve	25(c)	(632,033)	350,869
Retained earnings		39,901,480	36,877,019
		53,741,892	**53,019,175**
Non-controlling interest	31	1,902,487	1,653,444
		55,644,379	**54,672,619**
LIABILITIES			
Customer deposits		226,322,439	200,004,168
Due to other financial institutions	28	9,564,545	12,293,631
Repurchase agreements	26	311,252,480	308,882,389
Notes payable	27	53,731,016	52,250,316
Lease liabilities	23	1,936,520	765,794
Redeemable preference shares	24	28,942,735	28,734,023
Deferred tax liabilities	22	66,459	78,669
Interest payable		6,865,269	6,361,204
Income tax payable		907,683	585,835
Other payables	30	10,228,820	10,472,249
		649,817,966	**620,428,278**
		705,462,345	**675,100,897**

The financial statements on pages 9 to 121 were approved for issue by the Board of Directors on 30 May 2025 and signed on its behalf by:

Archibald Campbell Chairman

Keith P. Duncan Group Chief Executive Officer

JMMB GROUP LIMITED

Consolidated Statement of Changes in Stockholders' Equity

Year ended 31 March 2025

(expressed in Jamaican dollars unless otherwise indicated)

	Notes	Share Capital $'000	Retained Earnings Reserve $'000	Investment Revaluation Reserve $'000	Cumulative Translation Reserve $'000	Retained Earnings $'000	Total Attributable to Equity holders of the Parent $'000	Non-Controlling Interest $'000	Total $'000
Balances at 31 March 2023		**14,115,924**	**9,605,055**	**(14,123,700)**	**1,718,515**	**25,828,179**	**37,143,973**	**1,027,268**	**38,171,241**
Total comprehensive income/(loss) for 2024									
Profit for the year		-	-	-	-	11,537,728	11,537,728	313,856	11,851,584
Total other comprehensive income/(loss)		-	-	6,196,067	(1,367,646)	-	4,828,421	312,320	5,140,741
Total comprehensive income/(loss)		-	-	6,196,067	(1,367,646)	11,537,728	16,366,149	626,176	16,992,325
Transactions with owners of the Company:									
Dividends paid to ordinary stockholders	11	-	-	-	-	(488,888)	(488,888)	-	(488,888)
Treasury shares		(2,059)	-	-	-	-	(2,059)	-	(2,059)
Balances at 31 March 2024		**14,113,865**	**9,605,055**	**(7,927,633)**	**350,869**	**36,877,019**	**53,019,175**	**1,653,444**	**54,672,619**
Total comprehensive income for 2025									
Profit for the year		-	-	-	-	3,513,349	3,513,349	225,962	3,739,311
Total other comprehensive loss/income		-	-	(1,299,811)	(982,902)	-	(2,440,383)	23,076	(2,417,302)
Total comprehensive (loss)/income		-	-	(1,299,811)	(982,902)	3,513,349	1,230,636	249,043	1,479,679
Transactions with owners of the Company:									
Dividends paid to ordinary stockholders	11	-	-	-	-	(488,888)	(488,888)	-	(488,888)
Treasury shares		(19,031)	-	-	-	-	(19,031)	-	(19,031)
Balances at 31 March 2025		**14,094,834**	**9,605,055**	**(9,227,444)**	**(632,033)**	**39,901,480**	**53,741,892**	**1,902,487**	**55,644,379**

JMMB GROUP LIMITED

Consolidated Statement of Cash Flows

Year ended 31 March 2025

(expressed in Jamaican dollars unless otherwise indicated)

	Notes	2025 $'000	2024 $'000
Cash Flows used in Operating Activities			
Profit for the year		3,739,311	11,851,584
Adjustments for:			
Interest income	5	(40,929,691)	(40,580,899)
Interest expense	5	31,369,241	31,423,193
Share of profits of associate	18	(2,674,357)	(20,286,594)
Income tax credit	9	(1,945,999)	(4,531,293)
Impairment loss on financial assets	8	1,895,351	12,621,078
Amortisation of intangible assets	20	744,437	379,852
Depreciation of property, plant and equipment	21	637,678	557,157
Depreciation of right-of-use assets	23	269,690	295,761
Fair value gain on investment properties	19	(352,965)	(163,662)
Gain on sale of property, plant and equipment		(1,237,024)	-
Gain on sale of investment properties		(215,099)	-
Impairment loss on non-financial assets	20	64,621	-
Impairment loss on non-financial assets	20	21,951	-
Dividend income		(404,140)	(263,538)
Net (loss)/gain from financial assets at fair value through profit or loss		(274,726)	214,858
Foreign currency translation loss		1,832,194	844,164
		(7,459,527)	(7,637,889)
Changes in operating assets and liabilities:			
Cash reserve balances with central bank		(2,248,307)	(2,571,955)
Income tax recoverable		68,933	22,635
Loans and notes receivable		(20,617,499)	(32,024,670)
Other receivables		(2,885,819)	(3,472,727)
Resale agreements		(1,023,155)	3,181,810
Customer deposits		26,318,271	26,902,146
Due to other financial institutions		(2,729,086)	(1,866,977)
Other payables		(243,429)	2,255,275
Repurchase agreements		2,370,091	(8,801,282)
		(8,449,527)	(24,013,634)
Interest received		40,470,316	40,914,445
Interest paid		(30,865,176)	(29,933,539)
Taxation paid		(1,312,131)	(1,996,768)
Net cash used in operating activities (Page 15)		**(156,518)**	**(14,909,585)**

The notes on pages 20 to 121 are an integral part of these financial statements.

JMMB GROUP LIMITED

Consolidated Statement of Cash Flows (Continued)

Year ended 31 March 2025

(expressed in Jamaican dollars unless otherwise indicated)

	Notes	2025 $'000	2024 $'000
Net cash used in operating activities (page 14)		**(156,518)**	**(14,909,585)**
Cash Flows from Investing Activities			
Purchase of Investment securities		(705,628,946)	(727,697,123)
Proceeds from sale of investment securities		708,167,350	753,898,680
Dividends received		404,140	263,538
Dividend from associate		1,195,054	1,092,785
Purchase of associate companies		(434,781)	-
Purchase of intangible assets	20	(484,794)	(511,221)
Purchase of property, plant and equipment	21	(1,026,162)	(564,987)
Purchase of Investment property	19	(689,920)	(273,259)
Proceeds from disposal of investment properties		711,099	
Proceeds from disposal of property, plant and equipment		1,662,338	-
Net cash provided by investing activities		**3,875,377**	**26,208,413**
Cash Flows from Financing Activities			
Proceeds from notes payable	27	20,023,134	16,425,207
Repurchase of treasury shares	24	(19,031)	(2,059)
Repayment of notes payable	27	(20,053,850)	(27,210,490)
Payment of lease liabilities	23	(362,505)	(349,401)
Repayment of preference shares		(112,066)	-
Dividends paid to ordinary stockholders	11	(488,888)	(488,888)
Net cash used in by financing activities		**(1,013,206)**	**(11,625,631)**
Effect of exchange rate changes on cash and cash equivalents		**574,278**	**358,574**
Net increase/(decrease) in cash and cash equivalents		3,279,931	(88,140)
Cash and cash equivalents at beginning of year		36,210,979	36,299,119
CASH AND CASH EQUIVALENTS AT END OF YEAR	12	**39,490,910**	**36,210,979**

JMMB GROUP LIMITED

Company Statement of Profit or Loss Account and Other Comprehensive Income

Year ended 31 March 2025

(expressed in Jamaican dollars unless otherwise indicated)

	Notes	2025 $'000	2024 $'000
Interest Income and Other Revenue			
Dividend income		1,713,004	2,074,421
Foreign exchange gain		69,712	39,611
		1,782,716	2,114,032
Management fees		530,000	-
Operating expenses	7	(322,232)	(396,068)
		1,990,484	1,717,964
Interest income	5	3,788,947	3,612,920
Interest expense	5	(5,406,677)	(5,132,691)
Impairment (gain)/loss on financial assets	8	(3,500)	33,001
Share of loss of associate	18	(12,860)	-
Profit before Taxation		356,394	231,194
Taxation	9	-	-
Profit for the year, being total comprehensive income		**356,394**	**231,194**

JMMB GROUP LIMITED

Company Statement of Financial Position

31 March 2025

(expressed in Jamaican dollars unless otherwise indicated)

	Notes	2025 $'000	2024 $'000
ASSETS			
Cash and cash equivalents	12	61,671	67,923
Interest receivable		651,517	660,327
Income tax recoverable		-	21,582
Loans and notes receivable, net	13	39,774,935	40,288,076
Other receivables	14	1,650,982	1,818,655
Resale agreements, net	15	212,149	205,674
Due from subsidiary	29(i)	10,211,770	3,516,007
Investment securities, net	16	730,427	603,566
Interest in subsidiaries	17	21,126,335	27,011,435
Interest in associated company	18	53,816	-
		74,473,602	**74,193,245**
STOCKHOLDERS' EQUITY			
Share capital	24	14,094,834	14,113,865
Retained earnings		58,246	190,740
		14,153,080	**14,304,605**
LIABILITIES			
Notes payable	27	30,358,494	30,129,200
Redeemable preference shares	24	28,942,736	28,734,023
Interest payable		906,720	1,007,289
Other payables	30	112,572	18,128
		60,320,522	**59,888,640**
		74,473,602	**74,193,245**

The financial statements on pages 9 to 121 were approved for issue by the Board of Directors on 30 May 2025 and signed on its behalf by:

Archibald Campbell Chairman

Keith P. Duncan Group Chief Executive Officer

JMMB GROUP LIMITED

Company Statement of Changes in Stockholders' Equity

Year ended 31 March 2025

(expressed in Jamaican dollars unless otherwise indicated)

	Notes	Share Capital $'000	Retained Earnings $'000	Total $'000
Balances at 31 March 2023		**14,115,924**	**448,434**	**14,564,358**
Profit, being total comprehensive income for the year		-	231,194	231,194
Transaction with owners of the Company:				
Treasury stock	24	(2,059)	-	(2,059)
Dividends paid to ordinary stockholders	11	-	(488,888)	(488,888)
Balances at 31 March 2024		**14,113,865**	**190,740**	**14,304,605**
Profit, being total comprehensive income for the year		-	356,394	356,394
Transaction with owners of the Company:				
Treasury stock	24	(19,031)	-	(19,031)
Dividends paid to ordinary stockholders	11	-	(488,888)	(488,888)
Balances at 31 March 2025		**14,094,834**	**58,246**	**14,153,080**

JMMB GROUP LIMITED

Company Statement of Cash Flows

Year ended 31 March 2025

(expressed in Jamaican dollars unless otherwise indicated)

	Notes	2025 $'000	2024 $'000
Cash Flows from Operating Activities			
Profit for the year		356,394	231,194
Adjustments for:			
Interest income	5	(3,788,947)	(3,612,920)
Interest expense	5	5,406,677	5,132,691
Impairment loss/(gains) on financial assets	8	3,500	(33,001)
Share of loss of associate	18	12,860	
Dividend income		(1,713,004)	(2,074,421)
Foreign exchange (gains)/loss		(69,712)	443,691
		207,768	87,234
Changes in operating assets and liabilities:			
Income tax recoverable		21,582	50,892
Loans and notes receivable		1,063,817	(1,654,751)
Other receivables		206,150	(341,153)
Other payables		94,902	(36,320)
Resale agreements		(6,496)	50,638
Due from subsidiaries		(818,330)	1,393,269
		769,393	(450,191)
Interest received		3,797,757	3,531,714
Interest paid		(5,507,246)	(5,054,810)
Net cash used in operating activities		**(940,096))**	**(1,973,287)**
Cash Flows from Investing Activities			
Dividends received		1,713,004	2,074,421
Purchase of Investment securities		(126,861)	(599,531)
Investment in associated company		(66,676)	-
Net cash provided by investing activities		**1,520,112**	**1,474,890**
Cash Flows from Financing Activities			
Proceeds from issue of notes payable		11,234,204	1,081,430
Repayment of notes payable		(11,199,321)	-
Repayment of preference shares		(113,232)	(49,824)
Repurchase of treasury shares		(19,031)	(2,059)
Dividends paid	11	(488,888)	(488,888)
Net cash (used in)/provided by financing activities		**(586,268))**	**540,659**
Net (decrease)/increase in cash and cash equivalents		(6,252)	42,262
Cash and cash equivalents at beginning of year		67,923	25,661
CASH AND CASH EQUIVALENTS AT END OF YEAR	12	**61,671**	**67,923**

JMMB GROUP LIMITED

Notes to the Financial Statements

31 March 2025

(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 associates which are listed below. The Company, its subsidiaries and associate are collectively referred to as "the Group".

Name of Subsidiary and Associate	% Shareholding Held by Parent/Subsidiary		Country of Incorporation	Principal Activities
	Parent	Subsidiary		
JMMB Real Estate Holdings Limited	100		Jamaica	Real estate holding
CC SPV Limited (formerly Capital & Credit Securities Limited)	100		Jamaica	Investment holding and management
JMMB Financial Holdings Limited and its subsidiaries:	100		Jamaica	Financial holding company
Jamaica Money Market Brokers Limited and its subsidiaries:		100	Jamaica	Securities brokering
JMMB Securities Limited		100	Jamaica	Stock brokering
JMMB Insurance Brokers Limited		100	Jamaica	Insurance brokering
JMMB Fund Managers Limited		100	Jamaica	Fund management
JMMB Bank (Jamaica) Limited		100	Jamaica	Commercial banking
JMMB Money Transfer Limited		100	Jamaica	Funds transfer
JMMB International Limited		100	Barbados	Investment holding and management
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		95	Trinidad and Tobago	Merchant banking and consumer financing
JMMB Holding Company, S.A. 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 Multiple JMMB Bank, S.A. formerly Banco Rio De Ahorro Y Credito JMMB Bank S.A		99.91	Dominican Republic	Savings and loans bank
AFP JMMB BDI S.A.		50	Dominican Republic	Pension funds administration services
Associates				
Sagicor Financial Company Limited		24.50	Bermuda	Life and health insurance. pension, banking and investment management
Mynelend Jamaica Limited		50	Jamaica	Consumer Financing
Innovate 10x Lomited		49	Jamaica	Information technology and support

1. Identification (Continued)

JMMB Financial Holdings Limited (JMMB FHL) was incorporated on 24 December 2021. JMMB FHL is licensed as a financial holding company as required under the Banking Services Act (2014) and regulated by the Bank of Jamaica. During the year, the financial regulated entity JMMB International Limited was transferred from JMMB Group Limited to direct ownership of JMMB FHL. The transfers were made at book value.

In the prior year, the financial regulated entities in Trinidad and Tobago and Dominican Republic were transferred from JMMB Group Limited to direct ownership by JMMB FHL. The transfers were made at book value.

2. Statement of Compliance and Basis of Preparation

(a) Statement of compliance:

The financial statements are prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and comply with the provisions of the Jamaican Companies Act.

Certain new and amended standards came into effect during the current financial year. The Group has assessed them and has adopted those which are relevant to its financial statements. The financial statements are prepared in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board (IFRS Accounting Standards).

Other pronouncements under IFRS Accounting Standards did not result in any changes to amounts recognised or disclosed in these financial statements.

Details of the Group’s material accounting policies are included in 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 Jamaican dollars, which is the functional currency of the Company, and are expressed in thousands of dollars unless otherwise stated.

(d) Use of estimates and judgements:

The preparation of the financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of, and disclosures relating to, assets, liabilities, contingent assets and contingent liabilities at the reporting date and the income and expenses for the year then ended. Actual amounts could differ from those estimates.

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

Information about estimation uncertainty and critical judgements in applying accounting policies that have the most material effect on the amounts recognised in the financial statements are described in note 3.

3. Critical Accounting Judgements and Key Sources of Estimation Uncertainty

The Group accounting policies which require the use of judgements that have the most material effect on the amounts recognised in the financial statements are described below:

(a) Key sources of estimation uncertainty

(i) Impairment of financial assets (Group and Company)

The measurement of the allowances for expected credit loss (ECL) allowance for financial assets measured at amortised cost and fair value through other comprehensive income (FVOCI) is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of customers defaulting and the resulting losses).

A number of significant judgements are required in applying the accounting requirements for measuring ECL, such as:

- Choosing appropriate models and assumptions for the measurement of ECL;
- Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated ECL; and

Explanation of the inputs, assumptions and estimation techniques used in measuring ECL is further detailed in notes 32(b) and 36(b)(vii).

(ii) Fair value of financial instruments (Group)

There are no quoted market prices for a significant portion of the Group's financial assets. Accordingly, fair values of several financial assets are estimated using prices derived from a yield curve. The yield curve is, in turn, obtained from a pricing source which uses indicative prices submitted to it by licensed banks and other financial institutions in Jamaica. There is significant uncertainty inherent in this approach. The fair values determined in this way are classified as Level 2 fair values.

Some other fair values are estimated based on quotes published by broker/dealers, and these are also classified as Level 2. The estimates of fair value arrived at from these sources may be significantly different from the actual price of the instrument in an actual arm's length transaction (see notes 16 and 33).

(iii) Impairment of intangible assets (Group)

Impairment of intangible assets with indefinite useful lives is dependent upon management's internal assessment of future cash flows from the intangibles. That internal assessment determines the amount recoverable from future use of these assets. The estimate of the amount recoverable from future use of these assets is sensitive to the discount rates and other assumptions used (note 20).

(iv) Impairment of the carrying value of interest in associate (Group)

Impairment of interest in associate is dependent upon management's internal assessment of future cash flows from the associate. That internal assessment determines the recoverable value of the associate. The estimate of the amount recoverable from future operations of the associate is also sensitive to the discount rates used (see note 18).

JMMB GROUP LIMITED

Notes to the Financial Statements

31 March 2025

(expressed in Jamaican dollars unless otherwise indicated

3. Critical Accounting Judgements and Key Sources of Estimation Uncertainty (Continued)

(b) Critical accounting judgements in applying the Group's accounting policies

The Group's accounting policies which require the use of judgements in applying accounting policies that have the most material effects on the amounts recognised in the consolidated financial statements include the following:

Impairment of financial assets *(Group and Company)*:

Establishing the criteria for determining whether credit risk on the financial asset has increased significantly since initial recognition, determining the methodology for incorporating forward-looking information into the measurement of expected credit losses (ECL) and selection and approval of models used to measure ECL require significant judgement [see notes 32(b) and 36(b)(vii)].

4. Segment Reporting

A segment is a distinguishable component of the Group that is engaged either in providing related products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

The Group's activities are organised into three main business segments:

(i) Financial and related services which include securities brokering, stock brokering, portfolio planning, funds management and investment advisory services.

(ii) Banking and related services which include taking deposits, granting loans and other credit facilities, foreign currency trading and remittance and related services.

(iii) Other represents insurance brokering, investment and real estate holding.

	The Group				
	2025				
	Financial & Related Services	Banking & Related Services	Other	Eliminations	Group
	$'000	$'000	$'000	$'000	$'000
External revenues	27,419,184	26,727,155	692,877	-	54,839,216
Elimination of Inter-segment revenue	16,056,412	303,161	-	(16,359,573)	-
Total segment revenue	43,475,596	27,030,316	692,877	(16,359,573)	54,996,886
Segment results	(5,145,320)	4,505,751	445,995	-	(351,245)
Impairment loss on financial assets	(97,983)	(1,709,444))	(3,321)	-	(1,959,972))
Impairment loss on non-financial assets	(64,621)	(21,951)	-	-	(86,572)
Gain on disposals of property, plant & equipment	1,456,512	(4,389)	-	-	2,162,401
Share of profit of associate	2,674,357	-	-	-	2,674,357
Finance cost	(1,754,059)	-	-	-	(1,754,059)
Profit before tax	-	-	-	-	1,793,312
Taxation	-	-	-	-	1,945,999
Profit for the year	-	-	-	-	3,739,311
Total segment assets	650,469,595	300,667,360	5,400,332	(251,074,942)	705,462,346
Total segment liabilities	573,786,639	268,768,731	4,334,806	(197,212,407)	649,817,966
Interest income	17,950,094	22,951,175	28,422	-	40,929,691
Interest expense	19,336,743	10,277,613	826	-	29,615,182
Operating expenses	11,073,535	12,483,843	285,792	-	23,821,218
Depreciation and amortisation	987,465	650,999	13,341	-	1,651,805
Capital expenditure	52,183	1,133,407	718,698	-	2,200,876

4. Segment Reporting (Continued)

	The Group				
	2024				
	Financial & Related Services	Banking & Related Services	Other	Eliminations	Group
	$'000	$'000	$'000	$'000	$'000
External revenues	28,857,135	24,527,349	492,981	-	53,877,465
Elimination of Inter-segment revenue	13,648,951	255,765	-	(13,904,716)	-
Total segment revenue	42,506,086	24,783,114	492,981	(13,904,716)	53,877,465
Segment results	(5,225,306)	4,617,981	262,100	-	(345,225)
Impairment loss on financial assets	(9,920,112)	(2,955,285)	-	254,319	(12,621,078)
Share of profit of associate	20,286,594	-	-	-	20,286,594
Profit before tax	-	-	-	-	7,320,291
Taxation	-	-	-	-	4,531,293
Finance cost	(1,592,681)	-	-	-	(1,592,681)
Profit for the year	-	-	-	-	11,851,584
Total segment assets	623,377,234	278,050,092	4,629,664	(230,956,093)	675,100,897
Total segment liabilities	548,330,372	247,595,638	3,682,288	(179,180,020)	620,428,278
Interest income	19,330,867	21,211,393	38,639	-	40,580,899
Interest expense	19,961,119	9,869,109	284	-	29,830,512
Operating expenses	12,051,034	10,517,519	230,944	-	22,799,497
Depreciation and amortisation	666,543	548,753	17,474	-	1,232,770
Interest in associate	44,873,796	-	-	-	44,873,796
Capital expenditure	568,550	477,724	274,790	-	1,321,064

The geographic information analyses the Group's external revenue and non-current assets by the Company's country of domicile and other countries. In presenting the geographic information below, segment revenue is based on the geographic location of the customers and segment assets are based on the geographic location of the assets.

	The Company					
	2025					
	Jamaica	Trinidad and Tobago	Dominican Republic	Barbados	Eliminations	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Gross revenues	46,835,209	8,833,940	11,239,333	4,290,307	-	71,198,789
Eliminations	(16,201,903)	-	-	-	-	(16,201,903)
External revenues	30,633,306	8,833,940	11,239,333	4,290,307	-	54,996,886
Total assets	623,760,199	106,801,332	87,124,433	138,851,325	(251,074,944)	705,462,345
Total liabilities	533,717,684	94,642,209	80,424,524	138,245,956	(197,212,407)	649,817,966

	The Company					
	2024					
	Jamaica	Trinidad and Tobago	Dominican Republic	Barbados	Eliminations	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Gross revenues	44,068,924	8,098,888	11,559,961	4,056,551	-	67,784,324
Eliminations	(13,906,859)	-	-	-	-	(13,906,859)
External revenues	30,162,065	8,098,888	11,559,961	4,056,551	-	53,877,465
Total assets	592,089,868	103,500,026	85,168,624	125,298,472	(230,956,093)	675,100,897
Total liabilities	505,996,856	93,911,440	77,616,702	122,083,300	(179,180,020)	620,428,278

JMMB GROUP LIMITED

Notes to the Financial Statements

31 March 2025

(expressed in Jamaican dollars unless otherwise indicated

5. Net Interest Income/(Expense)

	The Group		The Company	
	2025	**2024**	**2025**	**2024**
	$'000	**$'000**	**$'000**	**$'000**
Interest income, calculated using the effective interest method				
Cash and cash equivalents	753,398	461,723	-	-
Loans and notes receivable	21,178,079	19,895,884	3,774,241	3,568,165
Resale agreements	414,470	144,912	14,706	44,755
Investment securities	18,583,744	20,078,380	-	-
Total interest income	**40,929,691**	**40,580,899**	**3,788,947**	**3,612,920**
Interest expense				
Repurchase agreements	15,099,401	16,850,340	-	-
Notes payable	4,135,839	3,842,774	3,175,789	2,983,027
Customer deposits	8,028,361	6,823,803	-	-
Lease liabilities [note 23(ii)]	120,693	56,771	-	-
Redeemable preference shares	2,230,888	2,256,824	2,230,888	2,149,664
Total interest expense	**29,615,182**	**29,830,512**	**5,406,677**	**5,132,691**
Net interest income/(expense)	**11,314,509**	**10,750,387**	**(1,617,730)**	**(1,519,771)**

6. Staff Costs

	The Group	
	2025	**202**
	$'000	**$'000**
Salaries and benefits, including profit-related pay	8,874,751	9,183,682
Statutory payroll contributions	884,475	832,590
Pension costs (note 34)	382,833	369,132
Training and development	145,277	147,297
Other staff benefits	1,144,076	1,134,198
	11,431,412	**11,666,899**

Included in salaries and benefits is for restructuring costs of $Nil (2024: 526,623,000).

JMMB GROUP LIMITED

Notes to the Financial Statements

31 March 2025

(expressed in Jamaican dollars unless otherwise indicated

7. Other Expenses

	The Group		The Company	
	2025	**2024**	**2025**	**2024**
	$'000	**$'000**	**$'000**	**$'000**
Marketing, corporate affairs and donations	1,071,199	1,028,731	91,875	76,453
Depreciation and amortisation	1,651,805	1,232,770	-	-
Directors' fees [note 29(iii)]	182,901	177,930	42,276	51,252
Irrecoverable General Consumption Tax	824,132	785,973	28,515	30,991
Insurance	414,430	190,983	-	-
Auditors' remuneration	314,455	264,659	17,481	16,834
Asset tax	1,131,740	1,091,682	-	-
Information technology	2,219,496	1,937,527	-	592
Legal and professional fees	1,621,917	2,077,354	138,360	217,472
Repairs and maintenance	474,806	347,965	-	-
Travel and entertainment	64,889	80,142	2,735	627
Motor vehicle	124,283	56,479	-	-
Office rental	170,519	118,362	-	-
Security	497,337	416,299	-	575
Stationery, printing and postage	264,285	206,746	302	272
Utilities	338,704	337,550	-	-
Bank charges	547,549	394,510	-	-
Others	475,359	386,936	688	1,000
	12,389,806	**11,132,598**	**322,232**	**396,068**

8. Impairment Loss on Financial Assets

	The Group		The Company	
	2025	**2024**	**2025**	**2024**
	$'000	**$'000**	**$'000**	**$'000**
Charged/(credited) for the year on:				
Investment securities at amortised cost (note 16)	4,469	(80,752)	-	467
Debt securities at FVOCI	(326,110)	1,213,399	-	-
Loan and notes receivable (note 13)	2,324,288	11,057,402	3,481	(33,466)
Resale agreement (note 15)	98	(305)	19	(2)
Other receivables (note 14)	(107,394)	431,334	-	-
	1,895,351	**12,621,078**	**3,500**	**(33,001)**

JMMB GROUP LIMITED

Notes to the Financial Statements

31 March 2025

(expressed in Jamaican dollars unless otherwise indicated

9. Taxation

(a) Income tax for the Company is computed at 25% on the profit for the year adjusted for tax purposes. Income taxes for all subsidiaries are based on statutory income tax rates prevailing in each jurisdiction.

	The Group		The Company	
	2025 **$'000**	**2024** **$'000**	**2025** **$'000**	**2024** **$'000**
Current income tax	1,598,927	1,208,476	-	-
Green fund and business levy	(1,536)	8,873	-	-
Prior year under provision	36,588	49,893	-	-
	1,633,979	1,267,242	-	-
Deferred income tax (note 22)				
Origination and reversal of temporary differences	(826,735)	308,198	-	-
Tax benefit of losses carried forward	(2,753,243)	(6,106,733)	-	-
	(3,579,978)	(5,798,535)	-	-
	(1,945,999)	**(4,531,293)**	**-**	**-**

(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	
	2025 **$'000**	**2024** **$'000**	**2025** **$'000**	**2024** **$'000**
Profit before taxation	1,793,312	7,320,291	369,254	231,194
Tax using domestic rate calculated at 25% (2024: 25%)	319,604	97,942	92,314	57,799
Tax using domestic rate calculated at 33 1/3% (2024: 33 1/3%)	630,145	(1,058,546)	-	-
Effect of tax on profits in foreign jurisdiction	720,762	1,285,997	-	-
Adjusted for the effects of:				
Income not subject to tax	(4,590,736)	(5,169,042)	(220,646)	(149,703)
Share of profit of associate included net of tax	(156,468)	(1,115,761)		-
Disallowed expenses	713,944	619,175	95,000	91,904
Current-year losses for which no deferred tax asset is recognised	433,016	735,535	33,332	-
Green fund and business levy	(1,536)	8,873	-	-
Other	(23,485)	14,641	-	-
Prior year under provision income tax	(29,067)	49,893	-	-
Prior year under deferred tax	36,518	-	-	-
	(1,945,999)	**(4,531,293)**	**-**	**-**

9. Taxation (Continued)

(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 $49,021,254,000 (2024: $33,494,110,000) for the Group. At the financial year end, the Group has tax losses of approximately $1,237,689,000 (2024: $2,969,463,000) where deferred tax has not been recognised due to uncertainty of the realisation of these amounts.

10. Earnings per Stock Unit

Earning per stock unit (“EPS’’) is computed by dividing the profit attributable to stockholders of the parent of $3,513,349,000 (2024: $11,537,728,000) by the weighted average number of ordinary stock units in issue during the year, numbering 1,955,552,532 (2024: 1,955,552,532).

11. Dividends paid to Ordinary Stockholders

	The Group and the Company	
	2025	**2024**
	$’000	**$’000**
Interim dividend in respect of 2023 @ 25.0 cents per stock unit	-	488,888
Interim dividend in respect of 2024 @ 25.0 cents per stock unit	488,888	-
	488,888	**488,888**

12. Cash and Cash Equivalents

	The Group		**The Company**	
	2025	**2024**	**2025**	**2024**
	$’000	**$’000**	**$’000**	**$’000**
Cash	35,685,996	29,817,526	-	-
Cash equivalents	3,804,914	6,393,453	61,671	67,923
	39,490,910	**36,210,979**	**61,671**	**67,923**

13. Loans and Notes Receivable

	The Group		**The Company**	
	2025	**2024**	**2025**	**2024**
	$’000	**$’000**	**$’000**	**$’000**
Corporate	107,701,428	91,235,179	-	-
Financial institutions	4,204,787	6,390,325	39,864,313	40,373,973
Individuals	124,103,986	118,828,788	-	-
	236,010,201	216,454,292	39,864,313	40,373,973
Less: allowance for impairment	(17,150,488)	(16,042,080)	(89,378)	(85,897)
Balance carried forward to page 29	**218,859,713**	**200,412,212**	**39,774,935**	**40,288,076**

JMMB GROUP LIMITED

Notes to the Financial Statements
31 March 2025
(expressed in Jamaican dollars unless otherwise indicated

13. Loans and Notes Receivable (Continued)

	The Group		The Company	
	2025	**2024**	**2025**	**2024**
	$'000	**$'000**	**$'000**	**$'000**
Balance brought forward from page 28	**218,859,713**	**200,412,212**	**39,774,935**	**40,288,076**
Less loan fees:				
At beginning of year	(1,468,590)	(1,297,477)	-	-
Additions during the year	(662,285)	(704,579)	-	-
Amortisation during year	513,452	533,466	-	-
Translation	(5,457)		-	-
Unamortised fees at end of year	**(1,622,880)**	**(1,468,590)**	**-**	**-**
	217,236,833	**198,943,622**	**39,774,935**	**40,288,076**

Credit quality of loan and notes receivable:

	The Group 2025			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
	$'000	**$'000**	**$'000**	**$'000**
Balance at 1 April	179,725,097	16,446,056	20,283,139	216,454,292
Loans granted	81,481,598	2,865,086	1,126,456	85,473,140
Transfers	(6,043,166)	2,584,248	3,458,918	-
Write offs	-	-	(414,303)	(414,303)
Repayments and transfers	(57,200,295)	(5,981,553)	(2,321,081)	(65,502,929)
Balance at 31 March	**197,963,234**	**15,913,837**	**22,133,130**	**236,010,201**

	The Group 2024			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
	$'000	**$'000**	**$'000**	**$'000**
Balance at 1 April	165,805,133	11,832,057	7,844,137	185,481,327
Loans granted	112,038,608	4,880,942	13,415,115	130,334,665
Transfers	(8,507,247)	5,231,724	3,275,523	-
Write offs	-	-	(476,187)	(476,187)
Repayments and transfers	(89,611,397)	(5,498,667)	(3,775,449)	(98,885,513)
Balance at 31 March	**179,725,097**	**16,446,056**	**20,283,139**	**216,454,292**

	The Company 2025			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
	$'000	**$'000**	**$'000**	**$'000**
Balance at 1 April	40,373,973	-	-	40,373,973
Repayments and transfers	(509,661)	-	-	(509,661)
Balance at 31 March	**39,864,313**	**-**	**-**	**39,864,313**

13. Loans and Notes Receivable (Continued)

	The Company 2024			
	Stage 1	Stage 2	Stage 3	Total
	$'000	$'000	$'000	$'000
Balance at 1 April	38,719,222	-	-	38,719,222
Loans granted	40,373,974	-	-	40,373,974
Repayments and transfers	(38,719,223)	-	-	(38,719,223)
Balance at 31 March	**40,373,973**	**-**	**-**	**40,373,973**

Allowance for impairment:

	The Group		The Company	
	2025	2024	2025	2024
	$'000	$'000	$'000	$'000
Balance at 1 April	16,042,080	6,207,496	85,897	119,363
Charge for year (note 8)	2,324,288	11,057,402	3,481	(33,466)
Write-offs	(1,498,351)	(1,195,659)	-	-
Translation differences	282,471	(27,159)	-	-
Balance at 31 March	**17,150,488**	**16,042,080**	**89,378**	**85,897**

Notes receivable for the Company represents loan advances to subsidiaries repayable on 12 January 2029. Interest is payable monthly at a fixed rate of 6.0% to 12.3% per annum.

Notes receivable includes the balance on an interest-free revolving advance of $2,831,732,000 (2024: $2,751,732,000) 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 2025 was 181,387,273 (2024: 182,653,174).

14. Other Receivables

	The Group		The Company	
	2025	2024	2025	2024
	$'000	$'000	$'000	$'000
Receivable from related parties	5,318,225	4,511,948	1,650,982	1,342,295
Other receivables*	6,073,194	5,803,177	-	476,360
Commission, fees receivable and customer settlement accounts	2,519,931	299,070	-	-
Staff loans	9,142	169,018	-	-
	13,920,492	10,783,213	1,650,982	1,818,655
Less: allowance for impairment	(189,039)	(44,973)	-	-
	13,731,453	**10,738,240**	**1,650,982**	**1,818,655**

* Other receivables consist mainly of prepayments, recoverable expenses, deposit on capital expenditure and rental deposits.

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14. Other Receivables (Continued)

Allowance for impairment:

	The Group		The Company	
	2025 $'000	**2024 $'000**	**2025 $'000**	**2024 $'000**
Balance at 1 April	44,973	41,327	-	-
Charge for year (note 8)	(107,394)	431,334	-	-
Write off	251,460	(427,688)	-	-
Balance at 31 March	**189,039**	**44,973**	**-**	**-**

Comprises the following:

	The Group		The Company	
	2025 $'000	**2024 $'000**	**2025 $'000**	**2024 $'000**
Current portion	12,082,756	9,421,282	1,650,982	1,818,655
Non-Current	1,648,697	1,316,958	-	-
	13,731,453	**10,738,240**	**1,650,982**	**1,818,655**

15. Resale Agreements

	The Group		The Company	
	2025 $'000	**2024 $'000**	**2025 $'000**	**2024 $'000**
Denominated in Jamaican dollars	-	-	212,170	205,676
Denominated in United States dollars	2,031,195	780,840	-	-
Denominated in Trinidad and Tobago dollars	-	227,200	-	-
	2,031,195	1,008,040	212,170	205,676
Less: allowance for impairment	(594)	(496)	(21)	(2)
	2,030,601	**1,007,544**	**212,149**	**205,674**

Allowance for impairment:

	The Group		The Company	
	2025 $'000	**2024 $'000**	**2025 $'000**	**2024 $'000**
Balance at 1 April	496	801	2	4
Charge/(credit) for year (note 8)	98	(305)	19	(2)
Balance at 31 March	**594**	**496**	**21**	**2**

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 with carrying value of $2,377,750,000 (2024: $1,071,887,000) are pledged as security for repurchase agreements (note 26).

At the reporting date, the fair value of the securities obtained and held under resale agreements was $2,377,750,000 (2024: $1,071,887,000) and $212,170,000 (2024: $205,676,000) for the Group and Company, respectively.

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16. Investment Securities

	The Group		The Company	
	2025	**2024**	**2025**	**2024**
	$'000	**$'000**	**$'000**	**$'000**
Debt securities at amortised cost:				
Certificates of deposit	70,545	600,030	655,932	600,000
Government of Jamaica securities	57,077,244	56,116,717	-	-
Other sovereign bonds	8,005,205	6,612,396	-	-
Corporate bonds:				-
Government of Jamaica guaranteed	830,448	1,240,207	-	-
Other	1,057,559	1,135,242	-	-
	67,041,001	65,704,592	655,932	600,000
Less: allowance for impairment losses for investments at amortised costs	(174,424)	(174,896)	(467)	(467)
	66,866,577	65,529,696	655,465	599,533
Debt securities at fair value through other comprehensive income:				
Government of Jamaica securities	67,516,359	69,027,284	-	-
Certificates of deposit	14,431,325	11,331,782	-	-
Government of Jamaica guaranteed	150,099	1,716,013	-	-
Corporate bonds	69,715,756	73,057,853	-	-
Other sovereign bonds	82,383,819	82,580,756	-	-
	234,197,358	237,713,688	-	
Equity securities at fair value through other comprehensive income:				
Quoted securities	3,595,856	3,399,246	-	-
Unquoted securities	1,221,401	513,107	-	-
	4,817,257	3,912,353	-	-
Other securities at fair value through other comprehensive income:				
Other	4,033	4,033	74,962	4,033
Debt securities designated at fair value through profit or loss:				
Corporate bonds	544,701	3,968,608	-	-
Other sovereign bonds	42,723	46,893	-	-
	587,424	4,015,501	-	-
Equity securities at fair value through profit and loss:				
Quoted securities	7,494,798	7,175,753	-	-
Other securities at fair value through profit and loss:				
Units in unit trusts	894,436	871,819	-	-
Money market funds	823,747	213,133	-	-
Unquoted securities	798,240	742,803	-	
	2,516,423	1,827,755	-	-
	316,483,870	**320,178,779**	**730,427**	**603,566**

16. Investment Securities (Continued)

During the year, there were no disposals or transfers of any cumulative gain or loss within equity of investment securities designated as at FVOCI. Dividend income recognized on these investments was $135,943,000 (2024: $142,969,000).

Allowance for impairment for investments at amortised cost:

	The Group		The Company	
	2025	**2024**	**2025**	**2024**
	$'000	**$'000**	**$'000**	**$'000**
Balance at 1 April	174,896	259,568	467	-
(Credit)/charge for the year (note 8)	4,469	(80,752)	-	467
Recoveries/write offs	(4,941)	(3,920)	-	-
Balance at 31 March	**174,231**	**174,896**	**467**	**467**

Investments mature, from the reporting date, as follows:

	The Group		The Company	
	2025	**2024**	**2025**	**2024**
	$'000	**$'000**	**$'000**	**$'000**
Government of Jamaica securities:				
Within 3 months	918,620	51,921	-	-
Over 3 months to 1 year	3,359,944	2,957,350	-	-
Over 1 year to 5 years	14,841,675	17,718,878	-	-
Over 5 years	105,323,787	104,271,090	-	-
	124,444,026	124,999,239	-	-
Certificates of deposit:				
Within 3 months	10,333,950	11,593,838	-	-
Over 3 months to 1 year	29,242	58,570	655,465	599,533
Over 1 year to 5 years	4,138,678	435,967	-	-
	14,501,870	12,088,375	655,465	599,533
Sovereign and corporate bonds:				
Within 3 months	26,017,305	19,843,452	-	-
Over 3 months to 1 year	45,053,917	18,609,273	-	-
Over 1 year to 5 years	29,550,357	70,315,402	-	-
Over 5 years	62,083,884	61,562,507	-	-
	162,705,463	170,330,634	-	-
Other [see (c) below]	14,832,511	12,760,531	74,962	4,033
	316,483,870	**320,178,779**	**730,427**	**603,566**

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16. Investment Securities (Continued)

(a) Government of Jamaica securities and certain other bonds with carrying value of $315,411,554,000 (2024: $310,346,246,000) are pledged as security for repurchase agreements (note 26) and notes payable (note 27) under terms that they may be repledged or resold by counterparties if the Group fails to meet its obligations.

(b) Government of Jamaica securities with an aggregate face value of $652,165,950,000(2024: $649,545,000) have been pledged as collateral against possible overdrafts at the Central Bank and against uncleared effects at one of the Group's bankers.

(c) Other securities include quoted equities, unit trust holdings and interest in pooled money market fund, for which there are no fixed maturity dates.

17. Interest in Subsidiaries

	The Company	
	2025	**2024**
	$'000	**$'000**
Shares at cost:		
JMMB Financial Holdings Limited	21,000,019	21,000,019
JMMB Real Estate Holdings Limited	1	1
CC SPV Limited (formerly Capital & Credit Securities Limited)	126,315	126,315
JMMB International Limited	-	5,885,100
	21,126,335	**27,011,435**

During the year, the direct ownership of JMMB International Limited was transferred from JMMB Group Limited to JMMB FHL. The transfer was done at carrying value thereby realising no gain or loss. This is a non-cash transaction and therefore not included in the statement of cash flows.

18. Interest in Associates and Joint Venture

Investment in Associates and Joint Venture

	2025	**2024**
	$'000	**$'000**
Carrying amount interest in associates:		
Sagicor Financial Company Limited (SFC)	46,583,218	44,873,796
Mynelend Jamaica Limited	210,456	-
Innovative 10X	53,816	-
	46,782,869	**44,873,796**

The Group share of profit comprise:

	2025	**2024**
	$'000	**$'000**
Sagicor Financial Company Limited (SFC)	2,844,866	20,286,594
Mynelend Jamaica Limited	(157,649)	-
Innovative 10X	(12,860)	**-**
	2,674,357	**20,286,594**

18. Interest in Associates and Joint Venture (Continued)

The following table provides a movement in the carrying value of Sagicor Financial Company Limited (SFC) and Mynelend Jamaica Limited:

	SFC		Mynelend Jamaica Limited	
	2025 $'000	**2024 $'000**	**2025 $'000**	**2024 $'000**
At beginning of the year	44,873,796	24,194,819	-	-
Acquisition	-	-	368,105	
Share of profits/(loss)	2,844,866	20,286,594	(157,649)	-
Dividends received	(1,195,054)	(1,092,785)	-	-
Movement in other reserves	(1,057,777)	766,634	-	-
Translation adjustment	1,117,387	718,534	-	-
At end of the year	**46,583,218**	**44,873,796**	**210,456**	**-**

Sagicor Financial Company Limited

The Group owns 24.50% (2024: 23.32%) of the issued and outstanding common shares of Sagicor Financial Company Limited (SFC). The change in percentage shareholding during the year arose from SFC's repurchase of its own shares.

The Group has accounted for this investment as an associate and has applied the equity method of accounting.

The principal activities of SFC are life and health insurance, annuities and pension administration services and banking and investment management services. The registered office of SFC is located at Clarendon House, 2 Church Street, Hamilton, HM 11, Bermuda, with its principal office located at Cecil F De Caires Building, Wildey, St. Michael, Barbados. 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.

The following table presents the summarised financial information in respect of SFC as indicated in its own financial statements, adjusted for fair value adjustment at acquisition. The table also reconciles the summarized financial information to the carrying amount of the Group's interest in SFC. The Group has used the last audited financial statements of SFC as at and for the year ended 31 December 2024 adjusted for its unaudited results for the three months to 31 March 2025 for inclusion in these financial statements.

Mynelend Jamaica Limited

The Group entered into a joint venture with Mynehub Ventures S.L. and CWC CALA Holdings Limited where it acquired 50% equity stake in the entity.

The Group has accounted for this investment as a Joint Venture and has applied the equity method of accounting.

The principal activities of Mynelend is consumer financing through Digital platform. The company was incorporated on October 11, 2023 and commenced trading 28 August 2024 following regulatory approval from the Bank of Jamaica. The registered office of Mynelend is located at 6 Haughton Terrace, Kingston 10, with its principal office located at 2 – 6 Carlton Crescent, Kingston. The main purpose of the joint venture is to diversify revenues by innovatively introducing to consumer finance/micro lending business line in Jamaica using a scalable digital based lending model.

The table below presents the unaudited financial statements as at and for the year ended 31 March 2025 for inclusion in these financial statements.

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18. Interest in Associate and Joint Venture (Continued)

	(i) SFC		(ii) Mynelend Jamaica Limited	
	23.5% (2024: 23.62)		50%	
	2025 $'000	2024 $'000	2025 $'000	2024 $'000
Total assets	3,659,535,679	3,421,638,776	267,984	-
Total liabilities	(3,450,859,907)	(3,220,091,168)	(105,556)	-
Net assets	208,675,772	201,547,608	162,428	-
Revenue	486,351,931	426,170,544	11,316	-
Profit/(loss) from continuing operation	12,207,283	86,054,508	(315,298)	-
Other comprehensive income/(loss)	(7,158,019)	747,433	-	-
Total comprehensive income/(loss)	5,049,264	86,801,941	(315,298)	-
Group's share of profit/(loss	2,844,866	20,286,594	(157,649)	-
Group's share of other comprehensive income/(loss)	(1,057,777)	766,634	-	-
Group's share of total comprehensive income/(loss)	1,616,580	21,053,228	(157,649)	-
Net assets of the associate – 100%	208,675,772	201,547,608	162,429	-
Pre-acquisition goodwill and intangible assets	(12,068,099)	(12,068,099)	129,241	-
Non-controlling interests	(57,595,117)	(53,112,956)	-	-
Adjusted net assets	139,012,556	136,366,553	291,670	-
Group's share of adjusted net assets	32,839,250	32,214,178	145,835	-
Acquisition premium	-	-	64,621	-
Intangible assets recognised on acquisition	6,238,343	6,238,343	-	-
Translation gain	7,505,625	6,421,275	-	-
Carrying amount of interest in associate	46,583,218	44,873,796	210,456	-

(i) The carrying value of SFC and the fair value indicated by its quoted price on the Toronto Stock Exchange (''TSE Indicative Value'') as at 31 March is as follows:

	The Group 2025		The Group 2024	
	Carrying Value $'000	TSE Indicative Value $'000	Carrying Value $'000	TSE Indicative Value $'000
Sagicor Financial Company Limited	**46,583,218**	28,324,500	44,873,796	26,588,392

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18. Interest in Associates and Joint Venture (Continued)

(ii) The carrying vale for Mynelend and fair value indicated by

	The Group 2025		The Group 2024	
	Carrying Value	**Indicative Value**	**Carrying Value**	**Indicative Value**
	$'000	**$'000**	**$'000**	**$'000**
Mynelend Jamaica Limited	**145,835**	**145,835**	**-**	**-**

Management has conducted an impairment assessment in respect of this investment involving a review of the performance of Mynelend as well as the fair value of the underlying assets and determined an impairment loss to the carrying values of $64.6 million.

19. Investment Properties

	The Group	
	2025	**2024**
	$'000	**$'000**
Balance as at 1 April	3,098,043	2,635,310
Acquisitions	689,920	273,259
Disposals	(496,000)	-
Transferred from property, plant and equipment (note 21)	14,395	33,293
Fair value gain on investment properties	352,965	163,662
Foreign translation loss	(5,142)	(7,481)
	3,654,181	3,098,043

The properties are measured at fair value, as appraised by professional, independent valuers every three years and in the intervening years by the directors. 65% (2024: 17%) of the properties were appraised by independent valuers in the current year. The valuation model uses a market approach and considers the location and condition of the properties as well as recent comparable transactions in the same proximity.

The properties generated rental income of $33,521,000 (2024: $16,756,000) and incurred expenses of $56,759,000 (2024: $43,993,000) for the year.

The fair value of the Group's investment property is categorised as Level 3 in the fair value hierarchy.

The techniques used to determine the fair value of the Group's investment properties are as follows:

19. Investment Properties (continued)

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. • Income capitalisation approach: This is an approach whereby the present value of the estimated or actual future cash benefits or income stream is calculated. The approach applies the use of valuation tables derived for professional valuation purposes.	• Details of the sales of comparable properties • Conditions influencing the sale of the comparable properties • Comparability adjustment • (Changes in these inputs by 5-10% would have a significant impact on the value of the properties) • Capitalisation rate of 8.1% - 9.6% (based on the length of the lease) • Annual rental value	The estimated fair value would increase/(decrease) if: • The demand for properties in the location was higher/(lower). • Sale value of comparable properties were higher/(lower). • Comparability adjustments were higher/(lower). • The estimated fair value would increase/ (decrease) if: Capitalisation rate is higher/ lower.

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20. Intangible Assets

	The Group					
	Computer Software	Customer List and Core Deposits	Licence	Goodwill	Other	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Cost						
31 March 2023	**5,585,694**	**704,057**	**431,891**	**131,723**	**387,698**	**7,241,063**
Additions	511,221	-	-	-	-	511,221
Reclassification (note 21)	(15,341)	-	-	-	-	(15,341)
Exchange rate adjustment	(4,984)	(290)	(5,024)	(6,520)	2,690	(14,128)
31 March 2024	**6,076,590**	**703,767**	**426,867**	**125,203**	**390,388**	**7,722,815**
Additions	484,794	-	-	-	-	**484,794**
Impairment	-	-	-	(21,951)	-	(21,951)
Exchange rate adjustment	(3,424)	5,101	1,110	(3,567)	4,985	4,205
31 March 2025	**6,557,960**	**708,868**	**427,977**	**99,685**	**395,373**	**8,189,863**
Accumulated Amortisation						
31 March 2023	**2,021,582**	**584,205**	**-**	**-**	**308,049**	**2,913,836**
Charge for the year	345,579	34,273	-	-	-	379,852
Exchange rate adjustment	(4,887)	822	-	-	2,690	(1,375)
31 March 2024	**2,362,274**	**619,300**	**-**	**-**	**310,739**	**3,292,313**
Charge for the year	714,460	29,977	-	-	-	744,437
Exchange rate adjustment	(3,422)	5,205	-	-	4,985	6,768
31 March 2025	**3,073,312**	**654,482**	**-**	**-**	**315,724**	**4,043,518**
Net Book Value						
31 March 2025	**3,484,648**	**54,386**	**427,977**	**99,685**	**79,649**	**4,146,345**
31 March 2024	**3,714,316**	**84,467**	**426,867**	**125,203**	**79,649**	**4,430,502**

Impairment testing for intangible assets with indefinite useful lives

Licences recognised in JMMB Bank (Trinidad & Tobago) Limited and JMMB Holding Company Limited, S.A.

The recoverable amounts of the cash generating units (CGUs) with the licences are based on value in use, determined by discounting the future cash flows of the CGUs. The licences were valued using “with-and-without” (WOW) method which compares the present value of the cash flows “with the asset” in place to the present value of cash flows “without the asset.”

20. Intangible Assets (Continued)

Impairment testing for intangible assets with indefinite useful lives (continued)

The key assumptions used in the estimation of the recoverable amounts were as follows:

	2025	2024	2025	2024
	Dominican Republic		Trinidad and Tobago	
Discount rate:	20.7%	19.8%	16.9%	16.5%
Long-term growth rate	4%	4%	2%	2%
Time to obtain licence	2 years	2 years	3-5 years	3-5 years

Discount rates would need to exceed 161% and 106% for the recoverable amounts to be below the carrying amount of the licences for the Dominican Republic and Trinidad and Tobago, respectively.

The discount rates are post-tax measures determined based on rates used for similar assets in the relevant countries, business risks and other company specific risks.

The cash flow projections include specific estimates for ten and eleven years and a terminal growth rate thereafter. The terminal growth rate was determined based on management's estimate of the long-term compounded annual growth rates, consistent with assumptions that a market participant would make. The ten and eleven year cash flow projections are considered reflective of a stabilized level of earnings to estimate terminal value.

The estimated recoverable amounts of the CGUs were estimated to be higher than their carrying amounts however, goodwill was impairment and written down to its recoverable amount.

21. Property, Plant and Equipment

	The Group					
	Freehold Land and Buildings	Leasehold Improvement	Motor Vehicles	Computer Equipment	Equipment, Furniture and Fittings	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Cost						
31 March 2023	**2,528,146**	**1,202,694**	**111,495**	**2,253,376**	**2,338,837**	**8,434,548**
Additions	99,838	61,874	95,516	121,536	186,223	564,987
Transfer (note 20)	(148,907)	76,362	-	80,888	6,998	15,341
Reclassification	(33,293)	(2,170)	-	-	2,170	(33,293)
Disposals	-	-	-	(2,340)	(18,867)	(21,207)
Exchange rate adjustment	(6,914)	(4,773)	(6)	24,098	(19,117)	(6,712)
31 March 2024	**2,438,870**	**1,333,987**	**207,005**	**2,477,558**	**2,496,244**	**8,953,664**
Additions	282,153	258,958	52,259	209,209	223,583	1,026,162
Transfer (note 19)	(14,395)	-	-	-	-	(14,395)
Reclassification	(101,432)	49,969	-	32,527	18,936	-
Disposals	(645,622)	-	-	-	(47,168)	(692,790)
Adjustment	(4,763)	(196,397)	-	3,432	(39,205)	(236,933)
Exchange rate adjustment	(5,841)	9,423	(4)	21,769	6,234	31,581
31 March 2025 (page 41)	**1,948,970**	**1,455,940**	**259,260**	**2,744,495**	**2,658,624**	**9,067,289**

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21. Property, Plant and Equipment (Continued)

	The Company					
	Freehold Land and Buildings	Leasehold Improvement	Motor Vehicles	Computer Equipment	Equipment, Furniture and Fittings	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Cost (page 40)	**1,948,970**	**1,455,940**	**259,260**	**2,744,495**	**2,658,624**	**9,067,289**
Depreciation						
31 March 2023	395,727	817,764	68,030	1,576,011	1,601,528	4,459,060
Charge for the year	32,571	122,065	22,099	231,677	148,745	557,157
Reclassification	-	(15,880)	-	-	15,880	-
Disposals	-	-	-	(2,340)	(18,867)	(21,207)
Exchange rate adjustment	(587)	(4,737)	(6)	4,206	773	(351)
31 March 2024	427,711	919,212	90,123	1,809,554	1,748,059	4,994,659
Charge for the year	37,662	134,518	35,809	233,690	195,999	637,678
Disposals	(132,780)	(91,917)	-	-	(42,779)	(267,476)
Reclass	(208)	-	-	-	-	(208)
Adjustment	-	(183,305)	-	(209)	(34,409)	(217,923)
Exchange rate adjustment	(587)	5,619	(4)	15,296	6,736	27,060
31 March 2025	331,798	784,127	125,928	2,058,331	1,873,606	5,173,790
Net Book Value						
31 March 2025	**1,617,172**	**671,813**	**133,332**	**686,164**	**785,018**	**3,893,499**
31 March 2024	**2,011,159**	**414,775**	**116,882**	**668,004**	**748,185**	**3,959,005**

22. Deferred Taxes

Deferred 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.

Deferred income tax is calculated in full on temporary differences under the balance sheet method using the principal tax rate applicable to the jurisdictions in which the temporary differences arise.

Deferred tax assets and liabilities recognised on the statement of financial position are as follows:

	The Group	
	2025	**2024**
Deferred tax assets	21,469,636	18,903,142
Deferred tax liabilities	(66,459)	(78,669)
	21,403,177	**18,824,473**

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22. Deferred Tax (Continued)

The movement for the year in the net deferred tax is as follows:

	2025			
	The Group			
	Balance at Beginning of Year	Recognised in Income (note 9)	Recognised in Other Comprehensive Income	Balance at End of Year
	$'000	$'000	$'000	$'000
Tax losses carried forward	9,264,035	2,753,243	-	12,017,278
Investments	3,999,208	210,614	(1,001,274)	3,208,548
Accounts payable	96,134	29,075	-	125,209
Property, plant and equipment	272,725	154,373	-	427,098
Interest payable	1,653,364	(106,986)	-	1,546,378
Unrealised foreign exchange loss	4,272,727	497,252	-	4,769,979
Notes receivable	212,439	145,956	-	358,395
Lease liabilities	38,807	(2,542)	-	36,265
Interest receivable	(984,966)	(101,007)	-	(1,085,973)
	18,824,473	**3,579,978**	**(1,001,274)**	**21,403,177**

	2024			
	The Group			
	Balance at Beginning of Year	Recognised in Income (note 9)	Recognised in Other Comprehensive Income	Balance at End of Year
	$'000	$'000	$'000	$'000
Tax losses carried forward	3,157,302	6,106,733	-	9,264,035
Investments	4,897,238	683,541	(1,581,571)	3,999,208
Accounts payable	61,498	34,636	-	96,134
Property, plant and equipment	65,908	206,817	-	272,725
Interest payable	1,532,768	120,596	-	1,653,364
Unrealised foreign exchange loss	5,460,078	(1,187,351)	-	4,272,727
Notes receivable	579,192	(366,753)	-	212,439
Lease liabilities	54,407	(15,600)	-	38,807
Interest receivable	(1,200,882)	215,916	-	(984,966)
	14,607,509	**5,798,535**	**(1,581,571)**	**18,824,473**

23. Leases

The Group leases properties for office space and other uses. The leases run for periods of 1 to 15 years. Certain leases have an option to renew for further periods of 1 to 15 years.

The Group leases IT equipment with contract terms of one to three years. These leases are short-term and/or leases of low-value items. The Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

(i) Amounts recognised in the statement of financial position:

	The Group	
	2025	**2024**
	$'000	**$'000**
Right-of-use assets - properties:		
Balance as at 1 April	637,510	858,124
Additions	1,408,745	186,423
Depreciation charge for the year	(269,690)	(295,761)
Disposals	(35,188)	-
Remeasurement	35,231	(108,780)
Foreign currency translation differences	7,056	(2,496)
Balance at 31 March	**1,783,664**	**637,510**
Lease liabilities:		
Current	226,918	257,011
Non-current	1,709,602	508,783
	1,936,520	**765,794**

(ii) Amounts recognised in the profit and loss account:

	The Group	
	2025	**2024**
	$'000	**$'000**
Depreciation charge on right-of-use assets	269,690	295,761
Foreign exchange loss on lease liabilities	14,215	23,724
Interest expense on lease liabilities (note 5)	120,693	56,771
Expense relating to short-term and low-value leases (included in administration expenses)	71,394	100,526

23. Leases (Continued)

(iii) Amounts recognised in the statement of cash flows

	The Group	
	2025	2024
	$'000	$'000
Interest expense	120,693	56,771
Principal payment	241,812	292,630
Total cash outflows for leases	362,505	349,401

(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.

24. Share Capital

	2025	2024
	Number of Shares	Number of Shares
	('000)	('000)
Authorised ordinary stock units at no par value:	unlimited	unlimited
Fixed rate cumulative redeemable preference shares of no par value	10,000,000	10,000,000

	2025	2024
	Number of Shares	Number of Shares
	('000)	('000)
Issued ordinary share capital:		
Ordinary stock units in issue at no par value	1,955,552	1,955,552

24. Share Capital (Continued)

	The Group and Company	
	2025	2024
	$'000	$'000
Stated capital:		
1,955,552,532 (2023: 1,955,552,532) ordinary stock units	14,115,924	14,115,924
1,827,548,000 9.50% cumulative redeemable preference shares	1,827,548	1,827,548
42,783,500 US$ 8.50% cumulative redeemable preference shares	6,745,674	6,584,809
32,177,000 7.00% cumulative redeemable preference shares	-	64,354
1,848,937,000 10% (2024: 7.25%) cumulative redeemable preference shares	3,697,874	3,697,874
155,000 US$ 5.50% cumulative redeemable preference shares	-	47,712
21,265,000 US$ 7.5%)2024: 5.75%) cumulative redeemable preference shares	6,705,705	6,545,792
3,206,485,000 J$ 7.35% cumulative redeemable preference shares	9,619,455	9,619,455
115,493,000 J$ 7.15% cumulative redeemable preference shares	346,479	346,479
	43,058,659	42,849,947
Less: redeemable preference shares classified as liability	(28,942,735)	(28,734,023)
	14,115,924	**14,115,924**
Less: treasury shares	(21,090)	(2,059)
	14,094,834	**14,113,865**

During the prior year, the Company repurchased 864,117 shares at a total cost of $19.03M. Share capital in equity has been reduced by the cost of the shares repurchased and commission paid on the transactions. The cost of shares repurchased and not cancelled, has been referred to as treasury shares.

The significant terms and conditions of the preference shares 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 stockholders; 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 stock units include the following:

(i) Entitlement of dividends as declared from time to time.
(ii) Entitlement to one vote per stock units at meetings of the Company.
(iii) Entitlement to the residual assets.

25. Reserves

(a) Retained Earnings Reserve

In a previous year, in accordance with a board resolution, a subsidiary transferred a portion of its profit after tax to a non-distributable retained earnings reserve. This reserve constitutes a part of the subsidiary's regulatory capital.

(b) Investment Revaluation Reserve

The investment revaluation reserve comprises the cumulative net change in the fair value of debt securities at fair value through other comprehensive income, impairment losses on such securities, net of deferred tax, until the assets are derecognised or impaired.

(c) Cumulative Translation Reserve

The cumulative translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

26. Repurchase agreements

	The Group	
	2025	**2024**
	$'000	**$'000**
Denominated in Jamaica dollars	81,623,177	66,671,558
Denominated in United States dollars	183,561,422	201,658,503
Denominated in Euro	162,490	157,406
Denominated in Dominican Republic Peso	35,813,037	9,529,174
Denominated in Trinidad and Tobago dollars	10,092,354	30,865,748
	311,252,480	**308,882,389**

Repurchase agreements are collateralised by certain securities and other instruments held by the Group with a carrying value of $324,518,486,000 (2024: $311,624,537,000) (notes 15 and 16).

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27. Notes Payable

		The Group		The Company	
		2025	**2024**	**2025**	**2024**
		$'000	**$'000**	**$'000**	**$'000**
(i)	Subordinated debt (i)	2,335,000	2,272,000	-	-
(ii)	Senior secured TT$ Fixed Note (ii)	2,313,518	2,439,674	-	-
(iii)	Senior secured US$ Fixed Note (iii)	597,713	535,738	-	-
(iv)	Unsecured TT$ Fixed note (iv)	539,385	1,022,400	-	-
(v)	Unsecured US$ Fixed note (v)	1,053,645	1,025,604	-	-
(vi)	Unsecured J$ Fixed Note (vi)	2,317,320	2,317,320	2,317,320	2,317,320
(vii)	Unsecured J$ Fixed Note (vii)	2,854,900	2,854,900	2,854,900	2,854,900
(viii)	Unsecured J$ Fixed Note (viii)	1,890,000	1,890,000	1,890,000	1,890,000
(ix)	Unsecured J$ Fixed Note (ix)	7,000,000	7,000,000	7,000,000	7,000,000
(x)	Unsecured J$ Fixed Note (x)	-	7,753,400	-	7,753,400
(xi)	Unsecured US$ Indexed Note (xi)	-	3,388,460	-	3,388,460
(xii)	Unsecured US$ Fixed Note (xii)	-	2,625,859	-	2,625,859
(xiii)	Unsecured US$ Fixed Note (xiii)	215,062	209,933	215,062	209,933
(xiv)	Unsecured US$ Fixed Note (xiv)	1,036,680	1,011,958	1,036,680	1,011,958
(xv)	Unsecured US$ Fixed Note (xv)	1,103,690	1,077,370	1,103,690	1,077,370
(xvi)	Subordinated debt (xvi)	934,000	908,800	-	-
(xvii)	Promissory Note US$ Fixed Note (xvii)	11,982,920	10,773,700	-	-
(xviii)	Unsecured RD$ Fixed Note (xviii)	-	65,000	-	-
(xix)	Unsecured US$ Fixed Note (xix)	3,153,400	3,078,200	-	-
(xx)	Unsecured US$ Fixed Note (xx)	2,690,008	-	2,690,008	-
(xxi)	Unsecured J$ Fixed Note (xxi)	6,038,383	-	6,038,383	-
(xxii)	Unsecured J$ Fixed Note (xxii)	2,932,400	-	2,932,400	-
(xxiii)	Unsecured US$ Indexed Note (xxiii)	1,830,141	-	1,830,141	-
(xxiv)	Unsecured US$ Indexed Note (xxiv)	449,910	-	449,910	-
(xxv)	Unsecured RD$ Fixed Note (xxv)	149,400			
(xxvi)	Unsecured US$ Fixed Note (xxvi)	313,541			
		53,731,016	**52,250,316**	**30,358,494**	**30,129,200**

Comprises of the following:

	The Group		The Company	
	2025	**2024**	**2025**	**2024**
	$'000	**$'000**	**$'000**	**$'000**
Current portion	15,960,549	19,969,251	-	16,085,039
Non-Current	37,770,467	32,281,065	30,358,494	14,044,161
	53,731,016	**52,250,316**	**30,358,494**	**30,129,200**

The movements in notes payable are as follows:

	The Group		The Company	
	2025	**2024**	**2025**	**2024**
	$'000	**$'000**	**$'000**	**$'000**
Balance as at 1 April	52,250,316	62,110,033	30,129,200	28,888,685
Loans received	20,023,134	16,425,207	13,890,631	1,081,430
Repayment	(20,053,850)	(27,210,490)	(13,848,722)	-
Foreign exchange adjustment	1,511,416	925,566	187,385	159,085
Balance at 31 March	**53,731,016**	**52,250,316**	**30,358,494**	**30,129,200**

27. Notes Payable (Continued)

(i) This represents unsecured subordinated debt of TT$100M issued by a subsidiary for a term of eight (8) years, maturing on 28 March 2030 at a fixed rate of 5% per annum.

(ii) This represents fixed rate TT$ debt issued in three tranches bearing interest from 3.05% to 3.75% per annum, payable on a semi-annual basis. The notes mature in November 2024 and November 2025 and are secured by investment securities (note 16).

(iii) This represents fixed rate US$ debt bearing interest at 4.5% per annum, payable on a semi-annual basis. The notes mature in November 2025 and are secured by investment securities (note 16).

(iv) This represents a fixed rate TT$ debt bearing interest at 3.25% per annum payable on a semi-annual basis. The notes are unsecured and mature in November 2024.

(v) This represents a fixed rate US$ debt bearing interest at 4.00% per annum payable on a semi-annual basis. This debt is unsecured and matures in November 2025.

(vi) This represents unsecured fixed rate J$ debt bearing interest at 11.40% per annum, payable on a semi-annual basis. The note matures on 2 December 2024.

(vii) This represents unsecured fixed rate J$ debt bearing interest at 11.80% per annum, payable on a semi-annual basis. The note matures on 2 June 2026.

(viii) This represents unsecured fixed rate J$ debt bearing interest at 12.30% per annum, payable on a semi-annual basis. The note matures on 2 December 2027.

(ix) This represents unsecured fixed rate J$ debt bearing interest at 10.75% per annum, payable on a semi-annual basis. The note matures on 29 June 2027.

(x) This represents unsecured fixed rate J$ debt bearing interest at 10.50% per annum, payable on a semi-annual basis. The note matured on 27 July 2024 and was repaid.

(xi) This represents a fixed rate US$ indexed debt bearing interest at 7.50% per annum, payable on a semi-annual basis. The note matured on 27 July 2024 and was repaid.

(xii) This represents unsecured fixed rate US$ debt bearing interest at 8.30% per annum, payable on a semi-annual basis. The note matured on 2 December 2024 and was repaid.

(xiii) This represents unsecured fixed rate US$ debt bearing interest at 8.55% per annum, payable on a annual basis. The note matures on 2 June 2026..

(xiv) This represents unsecured fixed rate US$ debt bearing interest at 8.90% per annum, payable on a semi-annual basis. The note matures on 2 December 2027.

(xv) This represents unsecured fixed rate US$ debt bearing interest at 8.0% per annum, payable on a semi-annual basis. The note matures on 30 June 2026.

(xvi) This represents a unsecured subordinated debt of TT$40M issued by a subsidiary for a term of six (6) years, maturing on 26 June 2029 at a fixed rate of 6.5% per annum.

(xvii) This note is unsecured and bears interest at 7.75% per annum, with interest payable on a semi-annual basis. The note matures on 15 December 2025.

(xviii) This represent unsecured fixed rate RD$ loan bearing interest at 14.95% per annum, payable on a monthly basis. The note matures on 30 June 2025.

(xix) This represent unsecured fixed rate US$ debt bearing interest at 7% per annum, payable on quarterly basis. The note matures on 30 June 2026.

27. Notes Payable (Continued)

(xx) This represent unsecured fixed rate US$ debt bearing interest at 7.5% per annum, payable on quarterly basis. The note matures on 2 June 2027.

(xxi) This represents unsecured fixed rate J$ debt bearing interest at 11.75% per annum, payable on a semi-annual basis. The note matures on 27 January 2027.

(xxii) This represents unsecured fixed rate J$ debt bearing interest at 11.50% per annum, payable on a semi-annual basis. The note matures on 27 July 2029.

(xxiii) This represents a fixed rate US$ indexed debt bearing interest at 8.25% per annum, payable on a semi-annual basis. The note matures on 27 January 2027.

(xxiv) This represents a fixed rate US$ indexed debt bearing interest at 8.0 per annum, payable on a semi-annual basis. The note matures on 27 July 2029.

(xxv) This represents fixed rate RD$ loans bearing interest at 14.95% and 17% per annum, payable on a monthly basis. The notes matures on 16 April 2025 and 29 July 2025.

(xxvi) This represent fixed rate US$ loans bearing interest at 8.0% and 8.25% per annum, payable on a monthly basis. The notes matures on 30 April 2025.

28. Due to Other Financial Institutions

	The Group	
	2025	**2024**
	$'000	**$'000**
Development Bank of Jamaica (a)	1,479,493	1,177,611
National Housing Trust (b)	3,845,948	3,990,472
Inter-American Investment Corporation (c)	2,312,874	4,461,612
Development Finance Institute of Canada (FINDEV) (d)	1,970,875	2,663,936
	9,609,190	12,376,467
Deferred fees	(44,645)	(82,836)
	9,564,545	**12,293,631**

(a) Amounts due to Development Bank of Jamaica (DBJ) bear interest at rates of 2% to 7.50% per annum for periods up to ten years (2024: 2.00% to 6.50% per annum for periods up to 10 years). The loans are for on-lending to customers to finance development and agricultural projects within the terms and conditions specified by the DBJ and are repayable in monthly instalments.

(b) The balances due to National Housing Trust (NHT) are at interest rates of 0.0% to 2.5% (2024: 0.00% to 2.50%) per annum for periods of 25 years. The amounts are for on-lending to customers to finance home acquisition within the terms and conditions specified by NHT and are repayable in monthly instalments.

(c) The above balance consists of US$14,669,000 (2024:US$29,335,000) due to Inter-American Investment Corporation (IDB Invest), at interest rates of 9.63334% and 4.375% (2024: 9.58391% and 4.4375%) per annum for a period up to 5 years. The loan is for on-lending to Small and Medium Enterprises (SME'S) within the terms and conditions specified by the IDB Invest and are repayable in semi-annual instalments.

28. Due to Other Financial Institutions (continued)

(d) The above balance consists of US$12,500,000 (2024: US$20,000,000) due to Development Finance Institute Canada (FINDEV), at interest rate of 6.8621% per annum for a period up to 5 years. The loan is for on-lending to Small and Medium Enterprises (SMEs) within the terms and conditions specified by FINDEV and are repayable in semi-annual instalments.

29. Related Party Transactions and Balances

Parties are considered to be related if one party has the ability to control or exercise significant influence over the other party in making financial or operational decisions or if both are subject to control or significant influence by the same party.

Related companies include subsidiaries and major shareholders. Related parties include directors, key management and companies for which the Group provides management services.

(i) The statement of financial position includes balances arising in the normal course of business with related parties, as follows:

	The Group		The Company	
	2025	**2024**	**2025**	**2024**
	$'000	**$'000**	**$'000**	**$'000**
Directors-				
Loans and notes receivable	377,205	364,245	-	-
Interest payable	(308)	(1,400)	-	-
Customer deposits	(167,529)	(172,515)	-	-
Repurchase agreements	(73,100)	(133,674)	-	-
Employees Share Ownership Plan -				
Notes receivable	3,031,300	3,051,796	-	-
Repurchase agreements	(29,763)	(54,756)	-	-
	(40)	-	-	-

	The Group		The Company	
	2025	**2024**	**2025**	**2024**
	$'000	**$'000**	**$'000**	**$'000**
Subsidiaries -				
Resale agreements	-	-	212,149	205,674
Loans and notes receivable	-	-	39,774,935	40,288,076
Other receivables	-	-	11,180,436	4,858,302

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 (continued):

- Loans and notes receivable are unsecured/secured and are being repaid in accordance with their terms. No waivers were granted in respect of these loans and no provision was made for any loans. The loans bear interest rates ranging from 3% to 7%. per annum.
- Customer deposits are generally conducted at market rates on commercial terms and conditions. These balances are held in demand accounts and interest rates vary based on the average balances which is consistent to what is available to similar types of clients.
- Repurchase agreements, resale agreements and investments have interest rates ranging from 1% to 9% with tenors ranging from 30 to 365 days.

(ii) The profit or 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	
	2025	**2024**	**2025**	**2024**
	$'000	**$'000**	**$'000**	**$'000**
Directors:				
Interest income	17,073	26,003	-	-
Interest expense	(5,112)	(250,640)	-	-
Other income	1,094	1,323	-	-
Subsidiaries:				
Interest income	-	-	3,788,947	3,612,920
Dividend income	-	-	1,710,235	2,071,713
Managed funds:				
Gain on sale of securities	242,935	48,688	-	-
Fee income	1,065,895	1,012,875	-	-
Interest income	9,558	4,553	-	-
Interest expense	(1,658,090)	(4,819,114)	-	-

(iii) Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly. Such persons comprise the directors and senior management of the Group. The compensation paid or payable to key management for employee services is as shown below:

	The Group		The Company	
	2025	**2024**	**2025**	**2024**
	$'000	**$'000**	**$'000**	**$'000**
Directors' emoluments:				
Fees (note 7)	182,901	177,930	42,276	51,252
Management remuneration	84,529	83,251	-	-
Other key management compensation:				
Short-term employee benefits	602,201	719,172	-	-
Post-employment benefits	24,261	21,939	-	-
	893,892	1,002,292	42,276	51,252

30. Other Payables

	The Group		The Company	
	2025	2024	2025	2024
	$'000	$'000	$'000	$'000
Staff related and statutory	612,085	961,387	-	-
Clients	3,278,985	2,881,398	-	-
Withholding tax payable	-	57,890	86,947	-
Trade payables	3,107,216	3,038,656	-	-
Stale dated cheques	221,110	673,638	-	-
Accrued liabilities	3,009,424	2,849,289	25,625	18,128
	10,228,820	**10,472,249**	**112,572**	**18,128**

Comprising the following:

	The Group		The Company	
	2025	2024	2025	2024
	$'000	$'000	$'000	$'000
Current portion	6,728,725	6,917,214	112,572	18,128
Non-Current portion	3,500,095	3,555,035	-	-
	10,228,820	**10,472,249**	**112,572**	**18,128**

31. 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.

	2025	2024
	$'000	$'000
(a) Statement of financial position:	**20%**	**20%**
NCI percentage		
Total assets	63,733,683	61,570,797
Total liabilities	(58,425,504)	(55,360,813)
Net assets	5,308,179	6,209,984
Carrying amount of NCI	1,902,487	1,653,443

	2025	2024
	20%	20%
(b) Profit or loss account and other comprehensive income/(loss):		
Revenue	6,672,930	7,517,436
Profit	644,699	1,131,879
Other comprehensive income	1,632,468	(1,232,005)
Profit allocated to NCI, net	225,962	313,856
Other comprehensive income allocated to NCI	280,535	626,176

(expressed in Jamaican dollars unless otherwise indicated

31. Non-Controlling Interest (continue)

	2025	2024
	20%	**20%**
(c) Statement of cash flows:		
Cash flows from operating activities	(936,695)	2,716,311
Cash flows from investing activities	(4,623,945)	(481,206)
Cash flows from financing activities	6,666,429	(1,088,547)
Net increase in cash and cash equivalents	1,105,789	1,146,558

32. Financial Risk Management

The Group is exposed to several types of financial risks arising from its operations which involves activities such as trading securities, issuing of loans and notes receivables, managing investment portfolios and funding of these activities primarily through the use of repurchase agreements (or repos) and debt issuances.

(a) Introduction and overview

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk
- Operational risk

Risk management framework

These risks are managed through an established risk management framework, which involves the identification, evaluation and measurement of the risks faced by the Group as well as implementation of strategies to mitigate the risks identified. Taking risk is core to the financial business, and these 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 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) Board Risk Committee (BRC)

The BRC 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 in keeping with the risk appetite of the Group Board.

32. Financial Risk Management (continued)

(a) Introduction and overview (continued)

Risk management framework (continued)

(i) Board Risk Committee (BRC) (continued)

The BRC is responsible for approving transactions above a specified threshold and ensuring that all exposures conform to standards agreed by the Board and embodied in the various investment and risk policies. The committee is responsible for ongoing monitoring of the composition and management of the various portfolios. This responsibility is executed through the review of quarterly reports provided to the committee by the Group Risk Management Unit outlining risk exposures within the Group's portfolios.

This Committee reports to the Board on significant risk issues and recommended actions and strategies to management on risk exposures identified in the portfolio. The Committee is also responsible for the approval of risk limits. The committee is supported in its work by various management committees noted below.

(ii) 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.

(iii) Investment Committees

The Investment Committee is a senior management level committee responsible for the management of market risks. The committee monitors the composition of assets and liabilities, evaluates potential market risk involved in launching new products, reviews and articulates funding policy and decides optimal ways of managing the Group's liquidity.

(iv) 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.

Ukraine Russia Tensions

The continuing Russia-Ukraine war has caused significant humanitarian crisis and disruptions to global economic sectors and commodity markets. While the Group has no direct exposure to the region, we remain vigilant due to the potential for indirect impacts, such as increased volatility in global financial markets and supply chain disruptions. We continue to monitor and execute our management strategies to mitigate these risks and ensuring our resilience in the face of this ongoing geopolitical instability.

32. Financial Risk Management (continued)

(a) Introduction and overview (continued)

Risk management framework (continued)

(v) Asset and Liability Committees (ALCOs) (continued)

Climate Change

The JMMB Group is committed to addressing the impacts of climate change on our business and our clients. We recognize climate change as a significant emerging risk with both threats and opportunities. This disclosure outlines potential risks, categorized as physical and transition risks, that could disrupt our financial performance as well as opportunities related to a low-carbon, sustainable economy and our plans to develop a framework to address this emerging risk area.

Physical risks arise from climate-driven events such as floods, storms, rising sea levels that could damage our physical assets and those of our clients and changing weather patterns that could disrupt our operations.

These risks could influence the viability of certain sectors or businesses, the valuation of collateral and by extension the credit risk associated with certain borrowers. There are also the risks associate with shifts in supply and demand, changes in energy prices, changes in asset valuations or changing sentiment towards certain industries that could affect the financial performance of clients and impact the Group's own investment and credit portfolios.

Transition risks arise from the shift towards a low-carbon economy. These risks are varied and include changes in policy and regulations, technological advancements, and consumer preferences which can have financial and reputational impacts on our operations. These changes could affect the viability of certain sectors or businesses, collateral valuation, and ultimately, borrower creditworthiness. There are also the risks associated with shifts in supply and demand, changes in energy prices, changes in asset valuations or changing sentiment towards certain industries that could affect the financial performance of our clients and impact our own investment and credit portfolios.

The transition to a sustainable future presents various opportunities for JMMB Group such as the growing demand for green finance products, sustainability-linked loans, and client advisory services related to climate-related issues.

The Group ensures that there are mitigants in place for certain climate related events such as insurance for its physical assets as well as assets held as collateral for credit exposures. There is also a Business Continuity Plan (BCP) in place to ensure that the Group can operate in situations where climate related disruptions to business may occur. The Group also integrated an environmental and social risk management framework into our existing lending policies, guidelines and business practices to promote sustainability within our credit portfolios.

The Group acknowledges that we are in the early stages of building our expertise to develop a robust climate-related risk management framework and remain committed to further progress in developing a formal policy with clear methodologies to identify, quantify, and manage climate risks potentially impacting both JMMB Group and our clients. We will be working to progress this in the upcoming fiscal year.

32. Financial Risk Management (continued)

(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, 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 as well as settlement balances with market counterparties and resale 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).

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	Current status
1	Excellent	Standard monitoring
2	Good credit	Standard monitoring
3	Average credit	Standard monitoring
4	Acceptable	Standard monitoring
5	Marginal	Special monitoring
6	Substandard	Default
7	Doubtful	Default
8	Loss	Default

32. Financial Risk Management (Continued)

(b) Credit risk (continued)

(i) Management of credit risk (continued)

i. Loans and notes receivable (including commitments and guarantees)

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.

Under the IFRS 9 'three stage' model for impairment (*Expected Credit Loss Measurement*), exposures rated 1-4 are generally classified as stage 1 and requiring standard monitoring, exposures rated as 5 are classified as stage 2 and requiring special monitoring, while exposures rated 6 and above are classified as stage 3 in the default category.

ii. Investments and resale agreements

The Group limits its exposure to credit risk by investing in liquid securities with counterparties that have high credit quality. As a consequence, management's expectation of default is low.

The Group has documented investment policies which facilitate the management of credit risk on investment securities and resale agreements. The Group's exposure and the credit ratings of its counterparties is continually monitored.

iii. Cash and cash equivalents

Cash and cash equivalents are held in financial institutions which management regards as strong and there is no significant concentration. The strength of these financial institutions is continually reviewed by the Risk Management Committee.

(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 tables represent gross carrying amounts, which is the maximum exposure to credit risk. For loan commitments, the amounts in the table represent the amounts committed.

Loans and notes receivable at amortised cost (note 13):

	The Group			
	2025			
	Stage 1 $'000	**Stage 2 $'000**	**Stage 3 $'000**	**Total $'000**
Credit grade				
Standard monitoring	197,725,830	5,205,526	-	202,931,356
Special monitoring	237,404	10,708,311	-	10,945,715
Default	-	-	22,133,130	22,133,130
	197,963,234	15,913,837	22,133,130	236,010,201
Loss allowance [note 32(b)(vi)(v)]	(1,447,059)	(1,500,883)	(14,202,547)	(17,150,488)
	196,516,175	**14,412,954**	**7,930,583**	**218,859,713**

32. Financial Risk Management (Continued)

(b) Credit risk (continued)

(ii) Credit risk analysis (continued)

Loans and notes receivable at amortised cost (note 13) (continued):

	-*The Group 2024			
	Stage 1 $'000	**Stage 2 $'000**	**Stage 3 $'000**	**Total $'000**
Credit grade				
Standard monitoring	179,537,170	7,981,920	-	187,519,090
Special monitoring	187,926	8,464,137	-	8,652,063
Default	-	-	20,283,139	20,283,139
	179,725,096	16,446,057	20,283,139	216,454,292
Loss allowance [note 32(b)(vi)(v)]	(1,421,708)	(1,465,629)	(13,154,743)	(16,042,080)
	178,303,388	**14,980,428**	**7,128,396**	**200,412,212**

	The Company	
	2025	**2024**
	Stage 1 $'000	**Stage 1 $'000**
Credit grade		
Standard monitoring	39,864,313	40,373,973
Loss allowance [note 32(b)(vi)(v)]	(89,378)	(85,897)
	39,774,935	**40,288,076**

For financial assets not recognised at the reporting date:

	The Group	
	2025	**2024**
	Stage 1 $’000	**Stage 1 $’000**
Loan commitments	1,177,423	4,702,706
Guarantees and letters of credit	972,089	1,279,540
	2,149,512	**5,982,246**

Debt securities at amortised cost (note 16):

	The Group	
	2025	**2024**
	Stage 1 $'000	**Stage 1 $'000**
Credit grade		
Watch: B- to BB	67,041,001	65,704,592
Loss allowance [note 32(b)(vi)(v)]	(174,424)	(174,896)
	66,866,577	**65,529,696**

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32. Financial Risk Management (Continued)

(b) Credit risk (continued)

(ii) Credit risk analysis (continued)

Debt securities at FVOCI (note 16) (continued):

	The Group			
	2025			
	Stage 1	Stage 2	Stage 3	Total
	$'000	$'000	$'000	$'000
Credit grade				
Investment grade: BBB+ and above	22,340,675	-	-	22,340,675
Watch: B - BB	209,164,157	2,626,611	-	211,790,768
Speculative: CCC+ to C	155	-	-	155
Default - SD	-	-	65,760	65,760
	231,504,987	**2,626,611**	**65,760**	**234,197,358**
Loss allowance [note 32(b)(vi)(v)]	**1,196,830**	**81,700**	**501,024**	**1,779,554**

	2024			
	Stage 1	Stage 2	Stage 3	Total
	$'000	$'000	$'000	$'000
Credit grade				
Investment grade: BBB+ and above	28,861,879	-	-	28,861,879
Watch: B - BB	200,983,298	2,381,470	-	203,364,768
Speculative: CCC+ to C	2,838,893	-	-	2,838,893
Default - SD	-	-	2,648,148	2,648,148
	232,684,070	**2,381,470**	**2,648,148**	**237,713,688**
Loss allowance [note 32(b)(vi)(v)]	**1,322,075**	**96,726**	**1,803,498**	**3,222,299**

32. Financial Risk Management (Continued)

(b) Credit risk (continued)

(ii) Credit risk analysis (continued)

Resale agreements at amortised cost (note 15):

	The Group	
	2025	2024
	Stage 1	Stage 1
	$'000	$'000
Watch: B- BB	2,031,195	1,008,040
Less allowance [note 32(b)(vi)(v)]	(594)	(496)
	2,030,601	**1,007,544**

	The Company	
	2025	2024
	Stage 1	Stage 1
	$'000	$'000
Watch: B- BB	212,170	205,676
Loss allowance [note 32 (b)(vi)(v)]	(21)	(2)
	212,149	**205,674**

(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 $615,867,000 (2024: $222,864,000).

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.

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32. 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				
	2025				
	*Cash and cash equivalents	Loans and notes receivable	Resale agreements	Investment securities	Total
	$'000	$'000	$'000	$'000	$'000
Concentration by sector:					
Government of Jamaica	-	-	-	125,149,526	125,149,526
Other sovereign bonds	-	-	-	88,084,213	88,084,213
Bank of Jamaica	22,614,227	-	-	14,465,175	37,079,402
Corporate	-	83,461,698	-	78,098,130	161,559,828
Financial institutions	45,138,723	4,195,125	2,030,601	9,906,214	61,270,663
Retail	-	129,580,010	-	-	129,580,010
Other	-	-	-	496,563	496,563
	67,752,950	**217,236,833**	**2,030,601**	**316,483,870**	**603,504,254**
Concentration by location:					
Jamaica	31,761,306	130,290,415	2,030,601	152,133,406	316,215,534
North America	13,796,323	7,089,526	-	3,566,163	24,452,012
Trinidad and Tobago	14,190,789	51,345,825	-	42,469,057	108,005,671
Dominican Republic	7,888,999	13,421,680	-	56,389,145	77,699,824
Other	115,533	15,089,387	-	61,926,291	77,131,213
	67,752,950	**217,236,833**	**2,030,601**	**316,484,062**	**603,504,254**

32. Financial Risk Management (Continued)

(b) Credit risk (continued)

(iv) Concentration of credit risk (continued)

	The Group				
	2024				
	*Cash and cash equivalents	Loans and notes receivable	Resale agreements	Investment securities	Total
	$'000	$'000	$'000	$'000	$'000
Concentration by sector:					
Government of Jamaica	-	-	-	125,149,526	125,149,526
Other sovereign bonds	-	-	-	93,235,811	93,235,811
Bank of Jamaica	18,892,740	-	-	11,331,782	30,224,522
Corporate	-	69,834,636	-	83,773,766	153,608,402
Financial institutions	43,331,972	6,348,489	1,007,544	6,481,915	57,169,920
Retail	-	122,760,497	-	-	122,760,497
Other	-	-	-	205,979	205,979
	62,224,712	**198,943,622**	**1,007,544**	**320,178,779**	**582,354,657**
Concentration by location:					
Jamaica	29,547,230	122,914,504	1,007,544	172,463,761	325,933,039
North America	7,368,702	6,525,611	-	6,467,978	20,362,291
Trinidad and Tobago	15,809,030	42,374,402	-	47,409,354	105,592,786
Dominican Republic	7,565,499	13,442,915	-	59,455,881	80,464,295
Other	1,934,251	13,686,190	-	34,381,805	50,002,246
	62,224,712	**198,943,622**	**1,007,544**	**320,178,779**	**582,354,657**

*Includes balances held with the Central Bank which is presented separately from cash and cash equivalents

	The Company				
	2025				
	Cash and cash equivalents	Loans and notes receivable	Resale agreements	Investment securities	Total
	$'000	$'000	$'000	$'000	$'000
Concentration by sector:					
Financial institutions	61,671	39,774,935	212,149	730,427	40,779,182
Concentration by location:					
Jamaica	61,781	36,392,914	212,149	726,394	37,393,127
Trinidad and Tobago	-	1,016,972	-	-	
North America	-	-	-	4,033	4,033
Other	-	2,365,050	-	-	2,365,050
	61,671	39,774,935	212,149	730,427	40,779,182

32. Financial Risk Management (Continued)

(b) Credit risk (continued)

(iv) Concentration of credit risk (continued)

	The Company				
	2024				
	Cash and cash equivalents	Loans and notes receivable	Resale agreements	Investment securities	Total
	$'000	$'000	$'000	$'000	$'000
Concentration by sector:					
Financial institutions	67,923	40,288,076	205,674	603,566	41,165,239
Concentration by location:					
Jamaica	67,923	35,961,318	205,674	599,533	36,834,448
Trinidad and Tobago	-	2,018,108	-	-	2,018,108
North America	-	-	-	4,033	4,033
Other	-	2,308,650	-	-	2,308,650
	67,923	40,288,076	205,674	603,566	41,165,239

(v) Collateral and other credit enhancements held against financial assets

The Group holds collateral against loans and advances to customers and others in the form of mortgage interests over property, other registered securities and other assets, and guarantees. 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.

Estimates of fair value are based on the value of collateral assessed at the time of borrowing, and generally are updated as part of the ECL assessment using a proxy for collateral. The table below sets out the gross amount of loans and notes receivable and resale agreements and the value of identifiable collateral held against loans and notes receivable and resale agreements. For each loan, the value of disclosed collateral is capped at the nominal amount of the loan that it is held against. When a loan becomes credit-impaired, the fair value of the collateral is updated and used in calculating the ECL, otherwise a proxy for collateral value is generally used on a portfolio basis to compute the ECL throughout the year. Collateral generally is not held over balances with banks or broker/dealers, except when securities are held under resale agreements. Collateral is generally not held against investment securities.

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32. Financial Risk Management (Continued)

(b) Credit risk (continued)

(v) Collateral and other credit enhancements held against financial assets (continued)

2025
The Group

		Collaterals					
	Carrying Amount	**Cash secured**	**Debt Securities**	**Motor vehicles**	**Properties**	**Other**	**Total value of collateral**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Stage 1	197,963,234	57,867,318	33,057,310	28,001,842	139,424,024	39,639,210	297,989,704
Stage 2	15,913,837	544,127	753,431	2,728,765	10,822,579	2,800,928	17,649,830
Stage 3	22,133,130	1,116,175	484,988	2,509,055	5,411,902	1,145,738	10,667,858
	236,010,201	**59,527,620**	**34,295,729**	**33,239,662**	**155,658,505**	**43,585,876**	**326,307,392**

2024
The Group

		Collaterals					
	Carrying Amount	**Cash secured**	**Debt Securities**	**Motor vehicles**	**Properties**	**Other**	**Total value of collateral**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Stage 1	179,725,096	54,439,522	32,147,459	31,822,370	107,227,754	30,573,959	256,211,064
Stage 2	16,446,057	1,103,401	1,285,284	2,909,469	10,091,524	3,932,945	19,322,623
Stage 3	20,283,139	1,279,726	275,440	1,909,946	3,274,707	1,150,427	7,890,246
	216,454,292	**56,822,649**	**33,708,183**	**36,641,785**	**120,593,985**	**35,657,331**	**283,423,933**

32. Financial Risk Management (Continued)

(b) Credit risk (continued)

(v) Collateral and other credit enhancements held against financial assets (continued)

	2025						
	The Company						
		Collaterals					
	Carrying Amount	Cash secured	Debt securities	Motor vehicles	Properties	Other	Total value of collateral
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Stage 1	39,864,313	39,864,313	-	-	-	-	39,864,313
Stage 2	-	-	-	-	-	-	-
Stage 3	-	-	-	-	-	-	-
	39,864,313	39,864,313	-	-	-	-	39,864,313

	2024						
	The Company						
		Collaterals					
	Carrying Amount	Cash secured	Debt securities	Motor vehicles	Properties	Other	Total value of collateral
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Stage 1	40,373,973	40,373,973	-	-	-	-	40,373,973
Stage 2	-	-	-	-	-	-	-
Stage 3	-	-	-	-	-	-	-
	40,373,973	**40,373,973**	**-**	**-**	**-**	**-**	**40,373,973**

32. Financial Risk Management (Continued)

(b) Credit risk (continued)

(vi) Expected credit loss measurement

The Group applies 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.

32. 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 Grades 1 and 2 rating is lower than the difference in the PD between a Grades 3 and 4 ratings.

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.

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.

32. Financial Risk Management (Continued)

(b) Credit risk (continued)

(vi) Expected credit loss measurement (continued)

(i) Significant increase in credit risk (continued)

Credit risk grades (continued)

Treasury

For debt securities in the treasury portfolio, external rating agency credit grades are used. These published grades are continuously monitored and updated. The PD's term structure associated with each grade are determined based on realised default rates as derived from the average 12-month through-the-cycle (TTC) transition matrices published by the external rating agencies.

The Group's rating method comprises 21 rating levels for instruments not in default (1 to 21) and two default classes (22 to 23). The master scale assigns each rating category a specified range of probabilities of default, which is stable over time. The rating methods are subject to periodic (at least once every three years) validation and recalibration so that they reflect the latest projections in light of observed defaults.

The Group considers a debt investment security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'. The Group does not apply the low credit risk exemption to any other financial instrument.

Generating the term structure of PD:

Credit risk grades are the primary input into the determination of the term structure of PD for exposures. The Group collects performance and default information about its credit risk exposures analysed by jurisdiction and by type of product and borrower as well as by credit risk grading.

The Group uses statistical models to analyse the data collected and generate estimates of the remaining lifetime PD of exposures and how these are expected to change as a result of the passage of time.

Determining when credit risk has increased significantly:

The Group assesses whether credit risk has increased significantly since initial recognition at each reporting date. Determining whether an increase in credit risk is significant depends on the characteristics of the financial instrument and the borrower and the geographical region.

The Group considers that there is a significant increase in credit risk for its loans portfolio no later than when a loan is more than 30 days past due or downgraded by more than two notches in its internal ratings. The credit risk may also be deemed to have increased significantly since initial recognition based on qualitative factors linked to the Group's credit risk management processes that may not otherwise be fully reflected in its quantitative analysis on a timely basis. This is the case for exposures that meet certain heightened risk criteria such as placement on a watch list.

32. Financial Risk Management (Continued)

(b) Credit risk (continued)

(vi) Expected credit loss measurement (continued)

(i) Significant increase in credit risk (continued)

Determining when credit risk has increased significantly (continued)

The Group considers external credit ratings to determine that there is a significant increase in credit risk for its investment portfolio when there is a decrease in external 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 generally for a period of 12 months.

(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.

- 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.

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32. 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 70% probability of occurring and two less likely scenarios; being best, assigned a rating of 20% and worst, assigned a rating of 10%. 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.

	Upside	Base	Downside
Gross Domestic Product	2-5%	1-5%	1-2%
Inflation rate	3-6%	3-9%	5-9%
Unemployment	<4-5%	4.5-6.5%	>6.5%
Interest rate	Marginal Decrease	Flat	Increase

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.

32. Financial Risk Management (Continued)

(b) Credit risk (continued)

(vi) Expected credit loss measurement (continued)

(iii) Incorporation of forward-looking information (continued)

Other forward-looking considerations not otherwise incorporated within the above scenarios, such as the impact of any regulatory, legislative or political changes, have also been considered, but are not deemed to have a material impact and therefore no adjustment has been made to the ECL for such factors. This is reviewed and monitored for appropriateness on a quarterly basis.

The assumptions underlying the ECL calculation such as how the maturity profile of the PDs collateral values change are monitored and reviewed on a quarterly basis.

(iv) Computation of the expected credit losses (ECL)

The key inputs into the measurement of ECL are the term structure of the following variables:

- probability of default (PD);
- loss given default (LGD); and
- exposure at default (EAD).

ECL for exposures in Stage 1 is calculated by multiplying the 12-month PD by LGD and EAD.

Lifetime ECL is calculated by multiplying the lifetime PD by LGD and EAD.

PD represents the likelihood of a borrower defaulting on its financial obligation, either over the next twelve months (12-month PD) or over the remaining lifetime (lifetime PD) of the obligation.

LGD is the magnitude of the likely loss if there is a default. The Group estimates LGD parameters based on the history of recovery rates of claims against defaulted counterparties. The LGD models consider the structure, collateral, seniority of the claim, counterparty industry and recovery costs of any collateral that is integral to the financial asset. For loans secured by property, LTV ratios are a key parameter in determining LGD. LGD estimates are recalibrated for different economic scenarios and, for real estate lending, to reflect possible changes in property prices. They are calculated on a discounted cash flow basis using the effective interest rate as the discounting factor.

The Group derives the EAD from the current exposure to the counterparty and potential changes to the current amount allowed under the contract and arising from amortisation.

EAD is no longer taken as the gross carrying amount at the time of default. Instead, EAD is computed as the sum of the amortized amount and accrued interest to reflect contractual cash flows.

Subject to using a maximum of a 12-month PD for Stage 1 financial assets, the Group measures ECL considering the risk of default over the maximum contractual period (including any borrower's extension options) over which it is exposed to credit risk, even if, for credit risk management purposes, the Group considers a longer period. The maximum contractual period extends to the date at which the Group has the right to require repayment of an advance or terminate a loan commitment or guarantee.

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32. Financial Risk Management (Continued)

(b) Credit risk (continued)

(vi) Expected credit loss measurement (continued)

(iv) Computation of the expected credit losses (ECL) (continued)

The Group employs a simplified scorecard in estimating its forward-looking indicator factors. This model differentiates between sovereign, corporate and retail loan exposures. A minimum of three leading macroeconomic variables are used for each asset class. There were no other significant changes in estimation techniques or significant assumptions made during the reporting period.

(v) Loss allowance

The loss allowance recognised in the period is impacted by the following factors:

- Transfers between Stage 1 and Stages 2 or 3 due to financial instruments experiencing significant increases (or decreases) of credit risk or becoming credit-impaired in the period, and the consequent "step up" (or "step down") between 12-month and Lifetime ECL;

- Additional allowances for new financial instruments recognised during the year, as well as releases for financial instruments de-recognised in the period;

- Impact on the measurement of ECL due to changes in PDs, EADs and LGDs in the period, arising from regular refreshing of inputs to models;

- Impacts on the measurement of ECL due to changes made to models and assumptions;

- Discount unwind within ECL due to the passage of time, as ECL is measured on a present value basis;

- Foreign exchange retranslations for assets denominated in foreign currencies and other movements; and

- Financial assets derecognised during the period and write-offs of allowances related to assets that were written off during the period.

The following tables show reconciliations from the opening to the closing balance of the ECL allowance by class of financial instrument:

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32. Financial Risk Management (Continued)

(b) Credit risk (continued)

(vi) Expected credit loss measurement (continued)

(v) Loss allowance (continued)

Loans and notes receivable at amortised cost (see note 13):

	The Group			
	2025			
	Stage 1	Stage 2	Stage 3	Total
	$'000	$'000	$'000	$'000
Balance at 1 April	1,421,708	1,465,629	13,154,743	16,042,080
Transfer from Stage 1 to Stage 2	(187,717)	187,717	-	-
Transfer from Stage 1 to Stage 3	(964,567)	-	964,567	-
Transfer from Stage 2 to Stage 3	-	(126,311)	126,311	-
Transfer from Stage 2 to Stage 1	47,283	(47,283)	-	-
Transfer from Stage 3 to Stage 2	-	696	(689)	7
Transfer from Stage 3 to Stage 1	22,402	-	(22,402)	-
Financial assets derecognised during period	(310,268)	(722,658)	(1,658,721)	(2,691,647)
New financial assets originated or purchased	1,193,027	-	-	1,193,027
Write offs	-	-	(480,670)	(480,670)
Net remeasurement of loss allowance	(330,660)	688,488	2,248,844	2,606,672
Foreign exchange and other movements	555,851	54,605	(129,436)	481,020
Balance at 31 March	**1,447,059**	**1,500,883**	**14,202,547**	**17,150,489**

	The Group			
	2024			
	Stage 1	Stage 2	Stage 3	Total
	$'000	$'000	$'000	$'000
Balance at 1 April	1,283,291	1,389,407	3,534,798	6,207,496
Transfer from Stage 1 to Stage 2	(335,417)	335,417	-	-
Transfer from Stage 1 to Stage 3	(388,515)	-	388,515	-
Transfer from Stage 2 to Stage 3	1,482	(54,950)	53,468	-
Transfer from Stage 2 to Stage 1	18,722	(129,476)	110,754	-
Transfer from Stage 3 to Stage 2	-	7,719	(7,719)	-
Transfer from Stage 3 to Stage 1	1,364	-	(1,364)	-
Financial assets derecognised during period	(408,757)	(757,508)	(804,956)	(1,971,221)
New financial assets originated or purchased	1,698,680	-	-	1,698,680
Write offs			(1,132,670)	(1,132,670)
Net remeasurement of loss allowance	(19,655)	602,460	10,451,999	11,034,804
Foreign exchange and other movements	(429,487)	72,560	561,918	204,991
Balance at 31 March	**1,421,708**	**1,465,629**	**13,154,743**	**16,042,080**

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32. Financial Risk Management (Continued)

(b) Credit risk (continued)

(vi) Expected credit loss measurement (continued)

(v) Loss allowance (continued)

Loans and notes receivable at amortised cost (see note 13) (continued):

	The Company	
	2025	**2024**
	Stage 1 $'000	**Stage 1 $'000**
Balance at 1 April	85,897	119,363
Net re-measurement of loss allowance	3,481	(33,466)
Balance at 31 March	**89,378**	**85,897**

Debt securities at amortised cost (see note 16):

	The Group			
	2025			
	Stage 1 $'000	**Stage 2 $'000**	**Stage 3 $'000**	**Total $'000**
Balance at 1 April	174,896	-	-	174,896
Financial asset transferred during the year	4,730	-	-	4,730
Financial asset derecognised	(145,984)	-	-	(145,984)
New financial assets originated or purchased	151,250	-	-	151,250
Foreign exchange and other movements	(10,468)	-	-	(10,468)
Balance at 31 March	**174,424**	**-**	**-**	**174,424**

	The Group			
	2024			
	Stage 1 $'000	**Stage 2 $'000**	**Stage 3 $'000**	**Total $'000**
Balance at 1 April	259,568	-	-	259,568
Financial asset derecognised	(8,475)	-	-	(8,475)
New financial assets originated or purchased	5,369	-	-	5,369
Foreign exchange and other movements	(81,566)	-	-	(81,566)
Balance at 31 March	**174,896**	**-**	**- -**	**174,896**

32. Financial Risk Management (Continued)

(b) Credit risk (continued)

(vi) Expected credit loss measurement (continued)

(v) Loss allowance (continued)

Resale agreements (see note 15):

	The Group	
	2025	**2024**
	Stage 1	**Stage 1**
	$'000	**$'000**
Balance at 1 April	496	801
Net remeasurement of loss allowance	98	(305)
Balance at 31 March	**594**	**496**

	The Company	
	2025	**2024**
	Stage 1	**Stage 1**
	$'000	**$'000**
Balance at 1 April	2	4
Net remeasurement of loss allowance	19	(2)
Balance at 31 March	21	2

Debt securities at FVOCI:

	The Group			
	2025			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
	$'000	**$'000**	**$'000**	**$'000**
Balance at 1 April	1,322,075	96,726	1,803,498	3,222,299
Transfer from stage 1 to stage 3	12	43	(55)	-
Financial asset derecognised	(626,071)	-	(1,396,557)	(2,022,628)
New financial assets originated or purchased	621,717	-	-	621,717
Foreign exchange and other movements	(120,902)	(15,070)	94,138	(41,834)
Balance at 31 March	**1,196,831**	**81,699**	**501,024**	**1,779,554**

32. Financial Risk Management (Continued)

(b) Credit risk (continued)

(vi) Expected credit loss measurement (continued)

(v) Loss allowance (continued)

Debt securities at FVOCI (continued):

	The Group			
	2024			
	Stage 1 $'000	Stage 2 $'000	Stage 3 $'000	Total $'000
Balance at 1 April	1,379,314	131,593	295,355	1,806,262
Transfer from stage 1 to stage 3	(19,165)	-	19,165	-
Financial asset derecognised	(401,342)	(6,317)	(218,503)	(626,162)
New financial assets originated or purchased	679,925	-	56	679,981
Foreign exchange and other movements	(316,657)	(28,550)	1,707,425	1,362,218
Balance at 31 March	**1,322,075**	**96,726**	**1,803,498**	**3,222,299**

(c) Liquidity risk

Liquidity risk is the risk that the Group is unable to meet the payment obligations associated with its financial liabilities when they fall due and to replace funds when they are withdrawn. The consequence may be the failure to meet obligations to repay investors/depositors and to fulfil loan commitments. The Group is exposed to daily calls on its available cash resources from overnight placement of funds, maturing placement of funds and loan draw-downs. The Group does not maintain cash resources to meet all of these needs as experience shows that a minimum level of fund outflows can be predicted with a high level of certainty.

A Liquidity Management Committee meets at least monthly and more frequently where management considers that heightened monitoring and coordination of liquidity exposures across the Group is warranted. The Group's approach to managing liquidity is to ensure, as far as possible, that it has sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group has implemented a liquidity risk response strategy, including stress testing for entities within the Group. The Group's liquidity stress testing process utilises assumptions about significant changes in key funding sources, adverse changes in political and macroeconomic conditions, market triggers (such as credit ratings) and outlines contingent uses of funding. These conditions include expected and stressed market conditions as well as entity-specific events. The assumptions used in the liquidity stress tests are reviewed and approved by the ALCO.

Liquidity stress tests are developed and performed to quantify the potential impact of an adverse liquidity event on the balance sheet and liquidity position and to ascertain potential mismatches between liquidity sources and uses over a variety of time horizons and over different stressed conditions. To monitor the liquidity of the Group, these stress tests and potential mismatches are calculated on an ongoing basis.

32. Financial Risk Management (Continued)

(c) Liquidity risk (continued)

The Group continues to monitor the current global geopolitical events and the ongoing impact on market conditions with respect to asset and liability management. Against this backdrop, the Group continues to robustly manage our liquidity planning in keeping with our regulatory and internal obligations and have applied enhanced risk controls including stress testing, monitoring liquidity coverage and net stable funding ratios.

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) Maintaining contingency funding plans. These plans specify a wide range of readily available actions for a variety of adverse market conditions or idiosyncratic stresses. 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. Management estimate that the expected cash flows on these instruments will occur much later as demonstrated by retention history. Maturing liabilities are usually renewed and therefore will not have a significantly outflow of actual cash flows.

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:

	2025				
	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	164,090,844	64,812,907	3,813,122	232,716,873	226,322,439
Due to other financial institutions	-	2,715,290	9,194,156	11,909,446	9,564,545
Repurchase agreements	238,533,645	49,942,819	23,119,755	311,596,219	311,252,480
Notes payable	6,569,342	17,339,510	48,744,037	72,652,889	53,731,016
Lease liabilities	98,131	289,919	2,961,949	3,349,999	1,936,520
Redeemable preference shares	606,548	1,819,644	41,818,622	44,244,814	28,942,735
Interest payable	6,865,269	-	-	6,865,269	6,865,269
Other payables	10,088,820	-	-	10,088,820	10,088,820
	426,852,599	**136,920,089**	**129,651,641**	**693,424,329**	**648,703,824**

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32. 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:

	2024				
	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	152,852,113	49,750,751	3,459,276	206,062,140	200,004,168
Due to other financial institutions	-	4,360	15,350,242	15,354,602	12,293,631
Repurchase agreements	205,219,887	67,061,230	23,277,136	295,558,253	308,882,389
Notes payable	5,232,916	35,348,938	112,838,435	153,420,289	52,250,316
Lease liabilities	72,705	222,615	560,548	855,868	765,794
Redeemable preference shares	566,645	12,055,669	24,067,591	36,689,905	28,734,023
Interest payable	6,361,204	-	-	6,361,204	6,361,204
Other payables	10,463,835	-	-	10,463,835	10,472,249
	380,769,305	**164,443,563**	**179,553,228**	**724,766,096**	**619,763,774**

	2025				
	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	899,043	2,352,830	35,114,517	38,366,390	30,358,494
Redeemable preference shares	606,548	1,819,644	37,830,599	40,256,791	28,942,736
Interest payable	906,720	-	-	906,720	906,720
Other payables	25,625	-	-	25,625	25,625
	2,437,936	**4,172,474**	**72,945,116**	**79,555,526**	**60,233,575**

	2024				
	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	1,083,616	17,708,193	20,637,472	39,429,281	30,129,200
Redeemable preference shares	566,645	12,055,669	24,067,591	36,689,905	28,734,023
Interest payable	1,007,289	-	-	1,007,289	1,007,289
Other payables	18,128	-	-	18,128	18,128
	2,675,678	**29,763,862**	**44,705,063**	**77,144,603**	**59,888,640**

32. Financial Risk Management (Continued)

(d) Market risk

The Group assumes market risk, which is the risk of changes in market prices, such as interest rates, equity prices, foreign exchange rates and commodity prices that will affect the Group's income or fair value of its financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing return on risk.

The overall responsibility for market risk oversight is vested in the Board Risk Committee. The Risk Department is responsible for the development of detailed risk management policies (subject to review and approval by the Board Risk Committee) and for the day-to-day review of their implementation.

The principal tool used to measure and control market risk exposures within the Group is Value at Risk (VaR). The VaR of a portfolio is the estimated loss that will arise on the portfolio over a specified period of time (the holding period) from an adverse market movement with a specified probability (confidence level). The VaR model used by the Group is based on a 99 percent confidence level and assumes a 10 day holding period. The VaR model used is based mainly on the Monte Carlo simulation model. Taking account of market data from the previous year and observed relationships between differences in market prices, the model generates a wide range of plausible future scenarios for market price movements.

Although VaR is an important tool for measuring market risk, the assumptions on which the model is based give rise to some limitations, including the following:

- A 10 day holding period assumes that it is possible to hedge or dispose of positions within that period. This is considered to be a reasonable assumption, but may not be the case in situations in which there is severe market illiquidity for a prolonged period;
- A 99% confidence level does not reflect losses that may occur beyond this level. Even within the model used, there is a one percent probability that losses could exceed the VaR;
- VaR is calculated on an end-of-day basis and does not reflect exposures that may arise on positions during the trading day;
- The use of historical data to determine the relationships between different market prices may not cover all possible scenarios, as these relationships may break down in times of market stress; and
- The VaR measure is dependent on the Group's positions and volatility of market prices. The VaR of an unchanged position reduces if the market prices volatility declines and vice-versa.

The Group uses VaR limits for its overall portfolio and for sub-portfolios. The overall structure of VaR limits is subject to review and approval by the Board Risk Committee. VaR is measured at least once daily. Daily reports of utilization of VaR limits are prepared by the Risk department and regular summaries submitted to the Board Risk Committee.

A summary of the VaR position of the Group's overall portfolio as at 31 March 2025 and during the year then ended is as follows:

	31 March	Average for Year	Maximum during Year	Minimum during Year
	$'000	$'000	$'000	$'000
2025 Overall VaR	4,936,491	7,410,420	11,308,753	4,936,491
2024 Overall VaR	7,822,633	6,660,129	10,928,974	3,302,499

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.

32. 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/(liabilities) were as follows:

	The Group		The Company	
	2025	**2024**	**2025**	**2024**
	$'000	**$'000**	**$'000**	**$'000**
United States dollars	30,145,296	15,788,288	4,398,813	3,848,943
Great Britain Pounds	(625,922)	(97,747)	-	-
Euros	226,506	280,342	-	-
Trinidad and Tobago dollars	1,251,915	1,490,831	-	-
Canadian dollars	102,911	182,750	-	-

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			
	2025		**2024**	
	Change in Currency Rate	**Effect on Profit**	**Change in Currency Rate**	**Effect on Profit**
	%	**$'000**	**%**	**$'000**
Currency:				
USD	4	1,395,677	4	631,532
GBP	4	(5,660)	4	(3,910)
EUR	4	3,465	4	11,214
TT	4	51,017	4	59,633
CAD	4	(7,747)	4	7,310
		1,436,752		705,779

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32. Financial Risk Management (Continued)

(d) Market risk (continued)

***(i) Currency risk* (continued)**

Foreign currency sensitivity (continued)

	The Group			
	2025		2024	
	Change in Currency Rate %	Effect on Profit $'000	Change in Currency Rate %	Effect on Profit $'000
Currency:				
USD	-1	(348,919)	-1	(157,883)
GBP	-1	1,415	-1	977
EUR	-1	(866)	-1	(2,083)
TT	-1	(12,754)	-1	(14,908)
CAD	-1	1,937	-1	(1,827)
		(359,187)		**(175,724)**

	The Company			
	2025		2024	
	Change in Currency Rate %	Effect on Profit $'000	Change in Currency Rate %	Effect on Profit $'000
Currency:				
USD	4	714,621	4	13,068
GBP	4	(2,180)	4	-
EUR	4	4,977	4	-
TT	4	50,090	4	-
CAD	4	5,241	4	-
		772,749		**13,068**

	The Company			
	2025		2024	
	Change in Currency Rate %	Effect on Profit $'000	Change in Currency Rate %	Effect on Profit $'000
Currency:				
USD	-1	(178,655)	-1	(3,268)
GBP	-1	545	-1	-
EUR	-1	(1,244)	-1	-
TT	-1	(12,522)	-1	-
CAD	-1	(1,310)	-1	-
		(193,186)		**(3,268)**

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32. Financial Risk Management (Continued)

(d) Market risk (continued)

***(i) Currency risk* (continued)**

Foreign currency sensitivity (continued

	The Company			
	2025		**2024**	
	Change in Currency Rate	**Effect on Profit**	**Change in Currency Rate**	**Effect on Profit**
	%	**$'000**	**%**	**$'000**
Currency:				
USD	4	176	4	13,068
USD	4	(44)	1	(3,267)

(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 Group has an effective risk management process that maintains interest rate risk within prudent levels which is essential to the safety and soundness of the Group. Interest rate risk is managed principally across four broad areas, these are repricing risk, yield curve risk, basis risk and optionality and the subsequent impact on earnings and economic value. The Group management of interest rate risk incorporates the following:

- Appropriate Board and senior management oversight;
- Adequate risk management policies and procedures;
- Appropriate risk measurement and monitoring systems; and
- Comprehensive internal controls and independent external audits

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(expressed in Jamaican dollars unless otherwise indicated)

32. Financial Risk Management (Continued)

(d) Market risk (continued)

(ii) Interest rate risk (continued)

The Group has an ALCO which reviews on a monthly basis the non-credit and non-operational risk for each subsidiary, since asset and liability management is a vital part of the risk management framework. The mandate of the Committee is to assess and approve strategies for the management of the non-credit risks of the Group, including interest rate, foreign exchange, equity price and liquidity risks. The primary tools currently in use are gap analysis, interest rate sensitivity analysis and exposure limits for financial instruments. The limits are defined in terms of amount, term, issuer, depositor and country. Interest on financial instruments classified as floating is repriced at intervals of less than one year while interest on financial instruments classified as fixed is fixed until the maturity of the instrument.

The following tables summarise the Group's and the Company's exposures to interest rate risk and the possible effect to earnings. It includes the Group's and the Company's financial instruments at carrying amounts, categorised by the earlier of contractual repricing or maturity dates.

	The Group					
	2025					
	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	39,490,910	-	-	-	-	39,490,910
Balance with the Central Bank	14,060,216	-		-	14,201,824	28,262,040
Interest receivable	-	-	-	-	6,049,404	6,049,404
Loans and notes receivable	26,699,545	13,487,491	43,499,237	133,550,560	-	217,236,833
Resale agreements	1,324,303	403,568	302,730	-	-	2,030,601
Investment securities	35,248,869	6,230,499	41,848,092	218,145,343	15,011,259	316,484,062
Other receivables	-	-	-	-	13,731,453	13,731,453
Total interest-bearing assets	116,823,843	20,121,558	85,650,059	351,695,713	48,993,938	623,285,111
Financial Liabilities						
Customer deposits	160,761,844	34,706,270	27,489,892	3,364,433	-	226,322,439
Due to other financial institutions	-	-	2,544,775	7,019,769	-	9,564,544
Repurchase agreements	240,983,153	44,255,160	25,404,114	610,052	-	311,252,479
Notes payable	3,514,572	-	11,982,920	38,233,523	-	53,731,015
Lease liabilities	59,114	53,902	121,537	1,701,967	-	1,936,520
Redeemable preference shares	-	-	-	28,942,736	-	28,942,736
Interest payable	-	-	-	-	6,865,269	6,865,269
Other payables	-	-	-	-	10,228,820	10,228,820
Total financial liabilities	405,318,683	79,015,332	67,543,238	79,872,481	17,094,089	648,843,822
Total interest rate sensitivity gap	(288,494,840)	(58,893,774)	18,106,821	271,823,228	31,899,849	(25,558,711)
Cumulative interest rate sensitivity gap	(288,494,840)	(347,388,614)	(329,281,793)	(57,458,562)	(25,558,711)	

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32. Financial Risk Management (Continued)

(d) Market risk (continued)

(ii) Interest rate risk (continued)

	The Group					
	2024					
	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	36,210,979	-	-	-	-	36,210,979
Balance with the Central Bank	9,862,478	-	-	-	16,151,255	26,013,733
Interest receivable	-	-	-	-	5,590,029	5,590,029
Loans and notes receivable	30,745,594	23,761,631	31,829,806	112,504,411	102,180	198,943,622
Resale agreements	1,007,544	-	-	-	-	1,007,544
Investment securities	37,954,338	15,766,564	8,008,218	249,548,408	8,901,251	320,178,779
Other receivables	-	-	-	-	10,738,240	10,738,240
Total interest-bearing assets	115,780,933	39,528,195	39,838,024	362,052,819	41,482,955	598,682,926
Financial Liabilities						
Customer deposits	149,559,275	22,486,184	25,036,872	2,921,837	-	200,004,168
Due to other financial institutions	-	1,079	3,130	12,289,422	-	12,293,631
Repurchase agreements	195,771,899	76,710,269	33,307,672	3,092,549	-	308,882,389
Notes payable	2,308,649	22,283,720	8,827,390	18,830,557	-	52,250,316
Lease liabilities	74,342	64,689	118,252	508,511	-	765,794
Redeemable preference shares	-	-	10,355,733	18,378,290	-	28,734,023
Interest payable	-	-	-	-	6,361,204	6,361,204
Other payables	-	-	-	-	10,472,249	10,472,249
Total financial liabilities	347,714,165	121,545,941	77,649,049	56,021,166	16,833,453	619,763,774
Total interest rate sensitivity gap	(231,933,232)	(82,017,746)	(37,811,025)	306,031,653	24,649,502	(21,080,848)
Cumulative interest rate sensitivity gap	(231,933,232)	(313,950,978)	(351,762,003)	(45,730,350)	(21,080,848)	

32. Financial Risk Management (Continued)

(d) Market risk (continued)

(ii) Interest rate risk (continued)

The Company 2025

	Within 3 Months $'000	3 to 6 Months $'000	6 to 12 Months $'000	1 to 5 Years $'000	Non-Interest Bearing $'000	Total $'000
Financial Assets						
Cash and cash equivalents	61,671	-	-	-	-	61,671
Interest receivable	-	-	-	-	651,517	651,517
Loans and notes receivable	-	-	2,365,050	37,409,885	-	39,774,935
Other receivables	-	-	-	-	1,650,982	1,650,982
Resale agreements	212,149	-	-	-	-	212,149
Investment securities	726,394	-	-	-	4,033	730,427
Total financial assets	1,000,214	-	2,365,050	37,409,885	2,306,532	43,081,681
Financial Liabilities						
Notes payable	-	-	-	30,358,494	-	30,358,494
Redeemable preference shares	-	-	-	28,942,736	-	28,942,736
Interest payable	-	-	-	-	906,720	906,720
Other payables	-	-	-	-	25,625	25,625
Total financial liabilities	-	-	-	59,301,230	932,345	60,233,575
Total interest rate sensitivity gap	1,000,214	-	2,365,050	(21,891,345)	1,374,187	(17,151,894)
Cumulative interest rate sensitivity gap	1,000,214	1,000,214	3,365,264	(18,526,081)	(17,151,894)	

The Company 2024

	Within 3 Months $'000	3 to 6 Months $'000	6 to 12 Months $'000	1 to 5 Years $'000	Non-Interest Bearing $'000	Total $'000
Financial Assets						
Cash and cash equivalents	67,923	-	-	-	-	67,923
Interest receivable	-	-	-	-	660,327	660,327
Loans and notes receivable	4,326,757	11,141,860	-	24,819,459	-	40,288,076
Other receivables	-	-	-	-	1,818,655	1,818,655
Resale agreements	205,674	-	-	-	-	205,674
Investment securities	599,533	-	-	-	4,033	603,566
Total financial assets	5,199,887	11,141,860	-	24,819,459	2,483,015	43,644,221
Financial Liabilities						
Notes payable	-	11,141,860	4,943,179	14,044,161	-	30,129,200
Redeemable preference shares	-	-	10,355,733	18,378,290	-	28,734,023
Interest payable	-	-	-	-	1,007,289	1,007,289
Other payables	-	-	-	-	18,128	18,128
Total financial liabilities	-	11,141,860	15,298,912	32,422,451	1,025,417	59,888,640
Total interest rate sensitivity gap	5,199,887	-	(15,298,912)	(7,602,992)	1,457,598	(16,244,419)
Cumulative interest rate sensitivity gap	5,199,887	5,199,887	(10,099,025)	(17,702,017)	(16,244,419)	

32. 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, on the Group's interest income and gains recognised in other comprehensive income, with all other variables held constant.

The sensitivity of the profit or loss is the effect of the assumed changes in interest rates on net profit, based on the floating rate financial assets and financial liabilities. The sensitivity of stockholders' equity is calculated by revaluing fixed and variable rate FVOCI financial assets for the gross effects of the assumed changes in interest rates. The correlation of a number of variables will have an impact on market risk. Movements in these variables are non-linear and are assessed individually.

	The Group			
	2025		2024	
	Effect on Profit $'000	Effect on Equity $'000	Effect on Profit $'000	Effect on Equity $'000
Change in basis points				
JMD/USD				
- 100 (2024: -100)	26,175	10,288,293	50,888	10,501,434
+100 (2024:+100)	(26,175)	(10,075,173)	(50,888)	(10,487,011)

(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 8% (2024: 6%) increase in quoted bid prices at the reporting date would result in an increase of $1,048,824,000 (2024: $652,545,000) and $663,443,000 (2024: $417,804,000) in equity and profit respectively. A 2% (2024: 6%) decrease in quoted bid prices would result in a decrease of $262,206,000 (2024: $652,545,000) and $165,861,000 (2024: $417,804,000) 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.

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32. 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.

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.

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32. Financial Risk Management (Continued)

(f) Capital management (continued)

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 Multiple JMMB Bank, S.A., JMMB Sociedad Admistradora de Fondos de Inversion, S.A., AFP JMMB BDI S.A., 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), JMMB Securities Limited (T&T) (JMMBSTT), and Jamaica Money Market Brokers (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 2025 and 31 March 2024.

	JMMB		JMMBSL		JMMBIB	
	2025 J$'000	2024 J$'000	2025 J$'000	2024 J$'000	2025 J$'000	2024 J$'000
Regulatory capital -						
Tier 1 capital	29,317,549	25,517,793	1,451,710	1,586	207,534	221,206
Tier 2 capital	9,167,948	11,950,389	-	-	-	-
Total regulatory capital	38,485,497	37,468,182	1,451,710	1,586	207,534	221,206
Risk-weighted assets -						
On-balance sheet	214,841,226	235,938,402	3,487,051	3,229		-
Foreign exchange exposure	18,133,386	2,451,853	145,215	277		-
Total risk-weighted assets	232,974,612	238,390,255	3,632,266	3,506		-
Actual regulatory capital to risk weighted assets	17%	16%	40%	45%		-
Required regulatory capital to risk weighted assets	10%	10%	10%	10%		-

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32. Financial Risk Management (Continued)

(f) Capital management (continued)

	JMMBETT		JMMBBTT		JMMBBJL	
	2025	**2024**	**2025**	**2024**	**2025**	**2024**
	TT$'000	**TT$'000**	**TT$'000**	**TT$'000**	**J$'000**	**J$'000**
Regulatory capital –						
Tier 1 capital	55,746	41,382	252,915	239,085	17,347,287	17,679,330
Tier 2 capital	20,521	18,934	140,312	133,570	-	-
Total regulatory capital	76,267	60,316	393,227	372,655	17,347,287	17,679,330
Total required capital	-	-	-	-	14,744,270	15,082,886
Risk-weighted assets –						
On balance sheet	350,103	289,311	2,572,637	2,533,991	141,368,741	143,606,290
Off balance sheet	-	-	-	-	3,112,347	2,912,883
Foreign exchange exposure	-	-	-	-	2,961,612	3,645,963
	350,103	289,311	2,572,637	2,533,991	147,442,700	150,165,136
Actual regulatory capital to risk weighted assets	22%	21%	15%	15%	13%	12%
Required regulatory capital to risk weighted assets	10%	10%	10%	10%	10%	10%

	JMMBTTH		JMMBFM	
	2025	**2024**	**2025**	**2024**
	TT$'000	**TT$'000**	**$'000**	**$'000**
Tier 1 capital	460,187	363,920	1,095,276	956,908
Tier 2 capital	194,127	227,277	-	-
Actual regulatory capital	654,314	591,197	1,095,276	956,908
Required level of regulatory capital	-	-	147,249	159,813
Total risk-weighted assets	4,242,637	4,345,889	1,051,776	1,141,523
Ratio of total regulatory capital to risk-weighted assets	15%	14%	104%	84%

(i) The capital requirement for JMMBIB is to maintain a minimum capital base of $10 million.

(ii) The capital requirement for JMMB Puesto de Bolsa S.A. is RD$153 million.

(iii) The capital requirement of JMMB Investments (Trinidad and Tobago) Limited and JMMB Securities (T&T) Limited is to maintain a minimum capital base of TT$15 million and TT$6 million respectively.

32. 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 Multiple JMMB Bank, S.A., formerly Banco Rio De Ahorro Y Credito JMMB Bank S.A is to maintain a minimum capital to risk asset (CAR) of 10%. The company's CAR at 31 March was 12%.

The regulated entities within the Group have complied with all regulatory capital requirements throughout the year.

33. 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.

The Group recognises transfers between the levels of the fair value hierarchy at the end of the reporting period during which the change has occurred There were no transfers between levels during the year.

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33. 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	Bid-prices published by a recognised broker/dealer
Government of Jamaica securities:	
Traded overseas	Bid-prices published by a recognised broker/dealer.
Other	Estimated using mid-market prices from the Jamaica Securities Dealers Association yield curve.
Interest in money market fund and unquoted shares	Net asset valuation method.
Redeemable preference shares	Pricing model using market data.
Loans and notes receivable	The carrying amounts of variable rate financial instruments are assumed to approximate their fair values as the rate on these instruments typically reset in line with market rates. The fair value of fixed rate loans is estimated by comparing market interest rates when the loans were granted with current market rates offered on similar loans. The loan portfolio comprises of variable rate loans which can be reset as market rates change and are therefore carried at book value. Changes in the credit quality of loans within the portfolio are not taken into account in determining gross fair values as the impact of credit risk is recognised separately by deducting the allowance for credit losses from both book and fair values. Management has determined that the carrying amount for loans and notes receivable approximates fair value.
Notes payable	Discounted cash flows

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33. Financial Instruments - Fair Value (Continued)

(c) Accounting classifications and fair values

The following table shows the classification of financial assets and financial liabilities and their carrying amounts.

Where the carrying amounts of financial assets and financial liabilities are measured at fair value, their levels in the fair value hierarchy are also shown. Fair value information is not disclosed where the carrying amounts of financial assets and financial liabilities are not measured at fair value, and those carrying amounts are a reasonable approximation of fair value. These are included in the level 2 fair value hierarchy.

	The Group							
	2025							
	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	Level 3 $'000	Total $'000
Financial assets measured at fair value								
Government of Jamaica securities	-	67,516,359	-	67,516,359	-	67,516,359	-	67,516,359
Certificates of deposit	-	14,431,325	-	14,431,325	-	14,431,325	-	14,431,325
Government of Jamaica guaranteed	-	150,099	-	150,099	-	150,099	-	150,099
Corporate bonds	-	69,715,756	544,701	70,260,457	-	70,260,457	-	70,260,457
Foreign Government Securities	-	82,383,819	42,723	82,426,542	-	82,426,542	-	82,426,542
Ordinary shares quoted	-	3,595,856	7,494,798	11,090,654	11,090,654	-	-	11,090,654
Ordinary shares unquoted	-	1,221,401	798,240	2,019,641	-	1,824,505	195,136	2,019,641
Units in unit trusts	-	-	894,436	894,436	-	894,436	-	894,436
Money market funds		-	823,747	823,747	-	823,747	-	823,747
Other	-	4,033	-	4,033	-	4,033	-	4,033
	-	**239,018,648**	**10,598,645**	**249,617,293**	11,090,654	**238,331,503**	**195,136**	**249,617,293**
Financial assets not measured at fair value								
Cash and cash equivalents	39,490,910	-	-	39,490,910	-	39,490,910	-	39,490,910
Balance with central bank	28,262,040	-	-	28,262,040	-	28,262,040	-	28,262,040
Loans and notes receivable	217,236,833	-	-	217,236,833	-	217,236,833	-	217,236,833
Resale agreements	2,030,601	-	-	2,030,601	-	2,030,601	-	2,030,601
Certificate of deposits	70,545	-	-	70,545	-	70,545	-	70,545
Government of Jamaica Securities	57,077,244	-	-	57,077,244	-	47,806,477	-	47,806,477
Government of Jamaica guaranteed	1,713,583	-	-	1,713,583	-	1,876,470	-	1,876,470
Sovereign bonds	8,005,205	-	-	8,005,205	-	8,005,205	-	8,005,205
Interest receivable	6,049,404	-	-	6,049,404	-	6,049,404	-	6,049,404
Other receivables	13,731,453	-	-	13,731,453	-	13,731,453	-	13,731,453
	373,667,818	**-**	**-**	**373,667,818**	**-**	**364,559,938**	**-**	**364,559,938**

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33. Financial Instruments - Fair Value (Continued)

(c) Accounting classifications and fair values (continued)

	The Group						
	2025						
	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 3 $'000	Total $'000
Financial liabilities not measured at fair value							
Repurchase agreements	311,252,480	-	-	311,252,480	-	311,252,480	311,252,480
Notes payable	53,731,016	-	-	53,731,016	-	53,260,942	53,260,942
Redeemable preference shares	28,942,735	-	-	28,942,735	29,601,993	-	29,601,993
Deposits	226,322,439	-		226,322,439	-	226,322,439	226,322,439
Due to other financial institutions	9,564,545	-	-	9,564,545	-	9,564,545	9,564,545
Interest payable	6,865,269	-	-	6,865,269	-	6,865,269	6,865,269
Other liabilities	10,228,820	-	-	10,228,820	-	10,228,820	10,228,820
	646,907,304	**-**	**-**	**646,907,304**	**29,601,993**	**617494,495**	**647,096,488**

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33. Financial Instruments - Fair Value (Continued)

(c) Accounting classifications and fair values (continued)

	The Group							
	2024							
	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	Level 3 $'000	Total $'000
Financial assets measured at fair value								
Government of Jamaica securities	-	69,027,284	-	69,027,284	-	69,027,284	-	69,027,284
Certificates of deposit	-	11,331,782	-	11,331,782	-	11,331,782	-	11,331,782
Government of Jamaica guaranteed	-	1,716,013	-	1,716,013	-	1,716,013	-	1,716,013
Corporate bonds	-	73,057,853	3,968,608	77,026,461	-	77,026,461	-	77,026,461
Foreign Government Securities	-	82,580,756	46,893	82,627,649	-	82,627,649	-	82,627,649
Ordinary shares quoted	-	3,399,246	7,175,753	10,574,999	10,574,999	-	-	10,574,999
Ordinary shares unquoted	-	513,107	742,803	1,255,910	-	1,074,854	181,056	1,255,910
Units in unit trusts	-	-	871,819	871,819	-	871,819	-	871,819
Money market funds	-	-	213,133	213,133	-	213,133	-	213,133
Other	-	4,033	-	4,033	-	4,033		4,033
	-	**241,630,074**	**13,019,009**	**254,649,083**	10,574,999	**243,893,028**	**181,056**	**254,649,083**
Financial assets not measured at fair value								
Cash and cash equivalents	36,210,979	-	-	36,210,979	-	36,272,294	-	36,272,294
Balance with central bank	26,013,733	-	-	26,013,733	-	26,013,733	-	26,013,733
Loans and notes receivable	198,943,622	-	-	198,943,622	-	198,943,622	-	198,943,622
Resale agreements	1,007,544	-	-	1,007,544	-	1,007,544	-	1,007,544
Certificate of deposits	600,030	-	-	600,030	-	600,030	-	600,030
Government of Jamaica Securities	56,116,717	-	-	56,116,717	-	48,111,841	-	48,111,841
Government of Jamaica guaranteed	2,375,449	-	-	2,375,449	-	1,285,555	-	1,285,555
Sovereign bonds	6,612,396	-	-	6,612,396		6,612,396	-	6,612,396
Interest receivable	5,470,118	-	-	5,470,118	-	5,470,118	-	5,470,118
Other receivables	10,738,249	-	-	10,738,249	-	10,738,249	-	10,738,249
	344,088,837	**-**	**-**	**344,988,837**	**-**	**335,055,382**	**-**	**335,094,210**

33. Financial Instruments - Fair Value (Continued)

(c) Accounting classifications and fair values (continued)

	The Group						
	2024						
	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 3 $'000	Total $'000
Financial liabilities not measured at fair value							
Repurchase agreements	308,882,389	-	-	308,882,389	-	308,882,389	308,882,389
Notes payable	52,250,316	-	-	52,250,316	-	51,876,262	51,876,262
Redeemable preference shares	28,734,023	-	-	28,734,023	-	30,427,505	30,427,505
Deposits	200,004,168	-	-	200,004,168	-	200,004,168	200,004,168
Due to other financial institutions	12,293,631	-	-	12,293,631	-	12,293,631	12,293,631
Interest payable	6,361,204	-	-	6,361,204	-	6,361,204	6,361,204
Other liabilities	10,472,249	-		10,472,249	-	10,472,249	10,472,249
	618,997,980	**-**	**-**	**618,997,980**	**-**	**620,317,408**	**620,317,408**

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33. Financial Instruments - Fair Value (Continued)

(c) Accounting classifications and fair values (continued)

	The Company						
	2025						
	Carrying amount				Fair value		
	Amortised Cost $'000	At fair value through other comprehensive income $'000	At fair value through profit or loss $'000	Total $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial assets measured at fair value							
Other	-	74,062	-	74,062	74,062	-	74,062
Financial assets not measured at fair value							
Cash and cash equivalents	61,671	-	-	61,671	61,671	-	61,671
Interest receivable	651,517	-	-	651,517	651,517	-	651,517
Loans and notes receivable	39,774,935	-	-	39,774,935	39,774,935	-	39,774,935
Certificate of deposits	655,465	-	-	655,465	655,465	-	655,465
Resale agreement	212,149	-	-	212,149	212,149	-	212,149
Other receivables	1,650,982	-	-	1,650,982	1,650,982	-	1,650,982
	43,006,719	**-**	**-**	**43,006,719**	**43,006,719**	**-**	**43,006,719**
Financial liabilities not measured at fair value							
Notes payable	30,358,494	-	-	30,358,494	-	30,328,759	30,328,759
Redeemable preference shares	28,942,736	-	-	28,942,736	29,601,993	-	29,601,993
Interest payable	906,720	-	-	906,720	-	906,720	906,720
Other payables	112,572	-	-	112,572	-	112,572	112,572
	60,320,522	**-**	**-**	**60,320,522**	**-**		

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33. Financial Instruments - Fair Value (Continued)

(c) Accounting classifications and fair values (continued)

	The Company						
	2024						
	Carrying amount				Fair value		
	Amortised Cost $'000	At fair value through other comprehensive income $'000	At fair value through profit or loss $'000	Total $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial assets measured at fair value							
Other	-	4,033	-	4,033	4,033	-	4,033
Financial assets not measured at fair value							
Cash and cash equivalents	67,923	-	-	67,923	67,923	-	67,923
Interest receivable	660,327	-	-	660,327	660,327	-	660,327
Loans and notes receivable	40,288,076	-	-	40,288,076	40,288,076	-	40,288,076
Certificate of deposits	599,530	-	-	599,530	599,530	-	599,530
Other receivables	1,818,655	-	-	1,818,655	1,818,655	-	1,818,655
	43,434,511	**-**	**-**	**43,434,511**	**43,434,511**	**-**	**43,434,511**
Financial liabilities not measured at fair value							
Notes payable	30,129,200	-	-	30,129,200	29,949,422	-	29,949,422
Redeemable preference shares	28,734,023	-	-	28,734,023	30,427,505	-	30,427,505
Interest payable	1,007,289	-	-	1,007,289	1,007,289	-	1,007,289
Other payables	18,128	-	-	18,128	18,128	-	18,128
	59,888,640	**-**	**-**	**59,888,640**	**61,402,344**	**-**	**61,402,344**

33. Financial Instruments - Fair Value (Continued)

(d) The following table presents the changes in Level 3 instruments for the year ended 31 March 2025.

	2025
	$'000
Opening balance	**181,056**
Disposals	(2,745)
Total losses in other comprehensive income	11,772
Foreign exchange movement	5,053
Closing balance	**195,136**

The following table presents the changes in Level 3 instruments for the year ended 31 March 2024.

	2024
	$'000
Opening balance	184,568
Disposals	24,833
Total gains in other comprehensive income	(31,435)
Foreign exchange movement	3,090
Closing balance	**181,056**

34. 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 2023 by Eckler Jamaica Limited, independent actuaries. The valuation report revealed a funding surplus.

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

The Trinidadian subsidiaries operate a two-tiered defined contribution plan, which is in compliance with section 134(6) of the Income Tax Act of Trinidad & Tobago. Under the terms of employment, the entities are obligated to contribute on behalf of all eligible employees an amount of 10% of the employees' pensionable salary directly to the Plan. In addition, all eligible employees contribute an amount of 5% of their pensionable salary to individual annuities.

Eligible employees of the Dominican Republic subsidiaries contribute of 2.87% of their pensionable salaries to various authorised pension plans. Employers contribute a corresponding 7.10%.

Employers' contributions for the Group for the year amounted to $382,833,000 (2024: $369,132,000).

35. Managed Funds

The Group acts as agent and earns fees for managing retail and corporate investment funds on a non-recourse basis under management agreements. This includes some of the assets of the Group's Jamaican pension fund (note 34). 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 2025, funds managed in this way by the Group amounted to $214,428,761,000 (2024: $205,937,416,000) which includes assets of the Group's pension fund (note 34) amounting to $7,573,763,000 (2024: $7,253,284,000). The Group's financial statements include the following assets/(liabilities) relating to the funds:

	The Group	
	2025	2024
	$'000	$'000
Investments	823,747	333,707
Interest payable	(10,513)	(12,110)
Repurchase agreements	(55,621,282)	(57,464,605)
Customer deposits	(1,063,601)	(1,453,391)
Notes payable	(11,036,900)	(10,773,700)

Also, bank balances held in the name of a subsidiary on behalf of the funds amounted to $301,637,000 (2024: $457,282,117). These amounts are not included in these financial statements.

36. Material Accounting Policies

The material accounting policies below conform in all material respects to IFRS.

(a) Basis of consolidation:

The consolidated financial statements include the assets, liabilities and results of operations of the Company, its subsidiaries and associate presented as a single economic entity.

Subsidiaries are all entities over which the Company has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one half of the voting rights of an investee, where there is exposure to variability of returns and the Company can use its power to influence the returns. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are no longer consolidated from the date that control ceases.

Intra-group transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of impairment of the asset transferred. Accounting policies of the subsidiaries are consistent with those of the Group.

The Group uses the acquisition method of accounting for business combinations. The cost of acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the consolidated profit and loss account.

The Group uses the book value method of accounting for business combinations with entities under common control. Any differences between the consideration paid and the net assets of the acquired entity is recognised in equity.

(i) Non-controlling interest

Non-controlling interest (NCI) are measured at their proportionate share of the acquiree's identifiable net assets at the acquisition date.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

(ii) Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interest (NCI) and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value.

(iii) Interest in associate

Associates are those entities in which the Group has significant influence, but not control or joint control, over the relevant financial and operating policies. Interest in associate is accounted for using the equity method in the consolidated financial statements.

36. Material Accounting Policies (Continued)

(a) Basis of consolidation (continued):

(iii) Interest in associate

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. Material 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 37(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.

36. Material 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 (loss)/gain from financial assets at fair value through profit or loss' line in the statement of profit or loss.

36. Material 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

Financial assets:

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.

36. Material Accounting Policies (Continued)

(b) Financial Instruments (continued)

(iii) Derecognition of financial assets and financial liabilities (continued)

Financial assets (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.

Financial liabilities:

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. Material 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.
- debt securities measured at FVTPL; and

36. Material Accounting Policies (Continued)

(b) Financial Instruments (continued)

(v) Measurement and gains and losses (continued)

For debt securities measured at FVOCI, gains and losses are recognised in other comprehensive income OCI, except for the following, which are recognised in profit or loss in the same manner as for financial assets measured at amortised cost:

- interest income, calculated using the effective interest method;
- ECL charges and reversals; and
- foreign exchange gains and losses.

When a debt security measured at FVOCI is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss.

Changes in the fair value of certain investments in equity instruments that are not held for trading are presented in OCI. The election is made on an instrument-by-instrument basis on initial recognition and is irrevocable.

When this election is used, fair value gains and losses are recognised in OCI and are not subsequently reclassified to profit or loss, including on disposal. Impairment losses (and reversal of impairment losses) are not reported separately from other changes in fair value. Dividends, when representing a return on such investments, continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Specific financial instruments:

Cash and cash equivalents

Cash comprises cash in hand, demand and call deposits with banks and very short-term balances with other brokers/dealers. Cash equivalents are highly liquid financial assets that are readily convertible to known amounts of cash (that is, with original maturities of less than three months), which are subject to insignificant risk of changes in value, and are used for the purpose of meeting short-term commitments. Cash and cash equivalents are classified and measured at cost.

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

Balance with the Central Bank

Balance with eh Central Bank is classified as current and measured at cost.

36. Material 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/sales of securities under resale agreements and repurchase agreements 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. 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.

36. Material Accounting Policies (Continued)

(b) Financial instruments (continued)

(v) Measurement and gains and losses (continued)

Specific financial instruments (continued):

Financial guarantee contracts and loan commitments

Financial guarantee contracts are contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of a debt instrument. Such financial guarantees are given to banks, financial institutions and others on behalf of customers to secure loans, overdrafts and other banking facilities.

Financial guarantee contracts are initially measured at fair value and subsequently measured at the higher of:

- The amount of the loss allowance [calculated as described in note 36(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. Material 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.

36. Material Accounting Policies (Continued)

(b) Financial instruments (continued)

(vii) Impairment (continued)

Credit-impaired financial assets (continued)

Evidence that a financial asset is credit-impaired includes the following observable data:
- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- the restructuring of a loan or advance by the Group on terms that it would not consider otherwise;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

A loan that has been renegotiated due to a deterioration in the borrower's condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment. In addition, a loan that is overdue for 90 days or more is considered credit-impaired even when the regulatory definition of default is different.

In making an assessment of whether an investment in sovereign debt is credit-impaired, the Group considers the following factors:

- The market's assessment of creditworthiness as reflected in the bond yields.
- The rating agencies' assessments of creditworthiness.
- The country's ability to access the capital markets for new debt issuance.
- The probability of the debt being restructured, resulting in holders suffering losses through voluntary or mandatory debt forgiveness.
- The international support mechanisms in place to provide the necessary support as 'lender of last resort' to that country, as well as the intention, reflected in public statements, of governments and agencies to use those mechanisms. This includes an assessment of the depth of those mechanisms and, irrespective of the political intent, whether there is the capacity to fulfil the required criteria.

Presentation of allowance for ECL in the statement of financial position

Allowances for ECL are presented in the statement of financial position as follows:

- financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets.
- loan commitments and financial guarantee contracts: generally, as a provision.
- debt instruments measured at FVOCI: no loss allowance is recognised in the statement of financial position because the carrying amount of these assets is their fair value. However, the loss is recognised in profit or loss as a reclassification from OCI.

Write-off

Loans and debt securities are written off (either partially or in full) when there is no reasonable expectation of recovering a financial asset. This is generally the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. This assessment is carried out at the individual asset level.

36. Material 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.

36. Material Accounting Policies (Continued)

(d) Intangible assets (continued)

The amortisation period for an intangible asset with a finite useful life is reviewed at a minimum at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period and treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in profit or loss. Intangible assets with infinite useful lives are measured at cost less impairment losses. They are assessed for impairment at least annually.

(i) Computer software

Computer software is measured at cost, less accumulated amortisation and impairment losses. Amortisation is charged on the straight-line basis over the useful life of the assets ranging from 20% to 25% per annum, from the date it is available for use.

(ii) Goodwill

Goodwill represents the excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree. When the cost is less than the fair value (negative goodwill), it is recognised immediately in profit or loss. Goodwill is measured at cost less accumulated impairment losses and is assessed for impairment at least annually.

(iii) Customer lists and core deposits

Acquired customer lists are measured initially at cost. Customer lists have a finite useful life and are measured at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost over the expected retention period with the Group, which ranges from 8 to 15 years.

(iv) Licences

These assets represent the value of JMMB Securities Limited's seat on the Jamaica Stock Exchange and the banking licence and securities licence acquired for JMMB Bank (T&T) Limited and JMMB Securities (T&T) Limited, which have indefinite useful lives on the basis that the license or the seat are not expected to expire or be impaired unless the entities are dissolved. 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.

36. Material Accounting Policies (Continued)

(e) Leases

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.

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. 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 future lease payments, discounted using the Group’s incremental borrowing rate.

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.

36. Material Accounting Policies (Continued)

(e) Leases (continued)

When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(f) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency').

The consolidated financial statements are presented in Jamaican dollars, which is the Company's functional currency.

(ii) Transactions and balances

Foreign currency transactions are accounted for at the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated using the closing exchange rates at the reporting date.

Exchange differences resulting from the settlement of transactions at rates different from those at the dates of the transactions, and unrealised foreign exchange differences on unsettled foreign currency monetary assets and liabilities are recognised in profit or loss.

Exchange differences on non-monetary financial assets are a component of the change in their fair value. Depending on the classification of a non-monetary financial asset, exchange differences are either recognised in profit or loss (applicable for trading securities), or within other comprehensive income if non-monetary financial assets are classified as fair value through other comprehensive income (FVOCI). In the case of changes in the fair value of monetary assets denominated in foreign currency classified as FVOCI, a distinction is made between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in the amortised cost are recognised in profit or loss, and other changes in the carrying amount, except impairment, are recognised in other comprehensive income.

36. Material Accounting Policies (Continued)

(f) Foreign currency translation (continued)

(iii) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities are translated at the closing rates at the reporting date;
- Income and expenses are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- All resulting exchange differences are recognised in other comprehensive income and accumulated as a separate component of equity.

(g) Share capital

The Group classifies capital instruments as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instrument. Preference share capital is classified as equity if it is non-redeemable, or redeemable only at the issuer's option, and any dividends are discretionary. Dividends thereon are recognised as distributions within equity. Preference share capital is classified as liability if it is redeemable on a specific date or at the option of the stockholders, or if dividends are not discretionary. Dividends thereon are recognised as interest in profit or loss.

The Group's redeemable preference shares are redeemable on specific dates, and bear entitlements to distributions that are cumulative, and not at the discretion of the directors. Accordingly, they are presented as financial liabilities.

Incremental costs directly attributable to the issue of an equity instrument are deducted from the initial measurement of the equity instruments.

(h) Taxation

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

(i) Current income tax

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

(ii) Deferred tax

Deferred 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.

36. Material Accounting Policies (Continued)

(h) Taxation (continued)

(ii) Deferred tax (continued)

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amounts of taxable temporary differences is insufficient to recognize a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plan for the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is n6 longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted at the reporting date.

(i) Impairment of non-financial assets

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

(i) Calculation of recoverable amount

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

(ii) Reversals of impairment

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

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

(j) Revenue recognition

The principal types of revenue and the manner in which they are recognised are as follows:

(i) Interest income

Interest income is recognised in profit or loss using the effective interest method. The "effective interest rate" is the rate that exactly discounts the estimated future receipts through the expected life of the financial instruments to its gross carrying amount.

36. Material Accounting Policies (Continued)

(j) Revenue recognition (continued)

The principal types of revenue and the manner in which they are recognised are as follows (continued):

(iii) Interest income (continued)

When calculating the effective interest rate for financial instruments, the Group estimates future cash flows considering all contractual terms of the financial instrument, but not ECL.

The calculation of the effective interest rate includes transaction costs and fees and points paid or received that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition of a financial asset.

The ‘amortised cost’ of a financial asset is the amount at which the financial asset is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any expected credit loss allowance.

The ‘gross carrying amount of a financial asset’ is the amortised cost of a financial asset before adjusting for any expected credit loss allowance.

The effective interest rate of a financial asset is calculated on initial recognition. In calculating interest income, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) and is revised as a result of periodic re-estimation of cash flows of floating rate instruments to reflect movements in market rates of interest.

However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Interest income calculated using the effective interest method presented in the statement of profit or loss and OCI, includes interest on financial assets measured at amortised cost, other interest income presented in the statement of profit or loss and OCI includes interest income on finance leases.

(iv) 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.

36. Material Accounting Policies (Continued)

(j) Revenue recognition (continued)

The principal types of revenue and the manner in which they are recognised are as follows (continued):

(ii) Fees and commissions (continued)

The nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies are as follows:

Type of service	*Nature and timing of satisfaction of performance obligations, including significant payment terms.*	*Revenue recognition under IFRS 15.*
Investment banking services	The Group provides investment banking related services, including execution of customers' transactions and maintenance of customers' investments records. Fees are charged when the transaction takes place and are based on fixed rates.	Revenue from investment banking related services is recognised at the point in time when the service is provided.
Portfolio and asset management services	The Group provides portfolio and asset management services to customers. Fees are calculated based on a fixed percentage of the value of the assets and are charged at various time intervals based on the investment agreement but at no time period exceeding twelve months.	Revenue from portfolio and asset management services is recognised over time as the service is provided.
Capital market services	The Group provides capital market services including from debt issuances, equity issuance and merger and acquisition advisory services. Fees are charged when services have been successfully executed.	Revenue is recognised at the point in time when the transaction is successfully executed.

(iii) Dividends

Dividend income is recognised when the right to receive payment is irrevocably established.

(k) Employee benefits

Employee benefits are all forms of consideration given by the Group in exchange for service rendered by employees.

Short-term employee benefits are charged as expense within staff cost.

36. Material Accounting Policies (Continued)

(k) Employee benefits (continued)

Pensions are the Group's only post-employment benefit. Pension fund costs included in Group profit or loss represent contributions to the defined-contribution fund which the Group operates to provide retirement pensions for the Group's employees (Note 34). Contributions to the fund, made on the basis provided for in the rules, are accrued and charged as expense when due.

(l) Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing related products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is the Board of Directors.

(m) Interest expense

Interest expense is recognised in profit or loss using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments through the expected life of the financial instrument to the amortised cost of the financial liability.

The calculation of the effective interest rate includes transaction costs and fees and points paid or received that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the issue of financial liability.

(n) Borrowings

Borrowings are recognised initially at fair value net of transaction costs incurred. Borrowings are subsequently measured at amortised cost and any difference between net proceeds and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

(o) Investment properties

Investment properties are held for rental income and fair value gains. Investment properties are treated as a long-term investments and are measured at fair value. Fair value is determined every third year by an independent professional valuer with recent experience in the location and category of the investment property being valued, and in each of the two intervening years by the directors. Changes in fair value are recognised in profit or loss. Rental income from investment properties is recognised in profit or loss on the straight-line basis over the tenure of the leases.

(p) New and amended standards and interpretations issued but are not yet effective

At the date of authorisation of the financial statements, certain new standards and amendments to existing standards and interpretations have been issued which are not yet effective and which the Group has not early-adopted. The Group has assessed all such new standards, amendments to existing standards and interpretations with respect to its operations and has determined that the following are likely to have an effect on the financial statements.

36. Material Accounting Policies (Continued)

(p) New and amended standards and interpretations issued but are not yet effective (continued)

- IFRS 18 *Presentation and Disclosure in Financial Statements,* is effective for annual reporting periods beginning on or after January 1, 2027. Under current IFRS Accounting Standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. IFRS 18 promotes a more structured income statement. In particular, it introduces a newly defined 'operating profit' subtotal and a requirement for all income and expenses to be allocated between three new distinct categories (Operating, Investing and Financing) based on a company's main business activities.

  All companies are required to report the newly defined 'operating profit' subtotal – an important measure for investors' understanding of a company's operating results – i.e. investing and financing activities are specifically excluded. This means that the results of equity-accounted investees are no longer part of operating profit and are presented in the 'investing' category.

  IFRS 18 also requires companies to analyse their operating expenses directly on the face of the income statement – either by nature, by function or using a mixed presentation. Under the new standard, this presentation provides a 'useful structured summary' of those expenses. If any items are presented by function on the face of the income statement (e.g. cost of sales), then a company provides more detailed disclosures about their nature.

  IFRS 18 requires some 'non-GAAP' measures to be reported in the financial statements. It introduces a narrow definition for management performance measures (MPMs), requiring them to be a subtotal of income and expenses, used in public communications outside the financial statements and reflective of management's view of financial performance. For each MPM presented, companies will need to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards.

  The Group is assessing the impact that the amendments will have on its future financial statements.

37. Subsequent Event

On September 24, 2024 the Financial Services Commission approved Jamaica Money Market Brokers Limited as administrator and investment manager pursuant to section 8 of the Pensions (Superannuation Funds and Retirement Schemes) Act 2024. The Financial Services Commission also issued a no objection to a request for change of the fund manager for the Collective Investment Scheme from JMMB Fund Managers Limited to JMMB Money Market Brokers. Effective April 1, 2025, the operations of JMMB Fund Managers Limited were merged with its parent company, Jamaica Money Market Brokers Limited and the assets and liabilities were transferred at book value.