UNAUDITED FINANCIAL RESULTS
FOR THE THREE MONTHS ENDED JUNE 30, 2016

DIRECTORS' STATEMENT

PERFORMANCE HIGHLIGHTS

Net Profit	-	J$593.4 million
Earnings per Stock Unit	-	J$0.36 (2015 - J$0.36)
Net Interest Income	-	J$1.55 billion, up 7.6%
Operating Revenue	-	J$3.42 billion, grew by 9.9%

The Directors are pleased to announce that the JMMB Group posted net profit of J$593.4 million and earnings per share of J$0.36 for the quarter ended 30 June 2016. The Group continues to work on building core revenues while integrating new entities and building out start up entities in the Dominican Republic.

THE JMMB GROUP CEO'S COMMENTARY

Keith Duncan, CEO of JMMB Group commented that "we continue to make progress in the execution of the Regional Integrated Financial Services Model within the context of a portfolio of companies operating in different phases of their business life cycle across three countries. Our focus remains on delivering long term sustainable shareholder value built on delivering our promise of financial partnership and an easy, enjoyable, empowering experience that is our clients' best interest. We also continue to increase Group revenues as well as drive operational and brand synergies across our diversified business lines, making the JMMB Group greater than the sum of its entities".

GROUP FINANCIAL PERFORMANCE

Net Operating Revenue

The JMMB Group reported net operating revenue of J$3.42 billion for the first three months ended June 30, 2016. This reflected a 9.9% increase when compared to the corresponding period in 2015 and was due mainly to positive growth in net interest income as well as fee and commission income and foreign exchange margins from cambio trading.

The Group's net interest income (NII) grew year-over-year from J$1.44 billion to J$1.55 billion, an increase of J$109.2 million or 7.6%. This was on account of larger investment and loan portfolios coupled with reduced cost of funds across the territories.

Fee and commission income increased by 56.3% or J$107.2 million to J$297.7 million, as there was significant growth in the suite of managed funds across the Group. Additionally, loan fees increased given the material growth in the loan portfolio.

Foreign exchange margins from cambio trading grew by 72.3% or J$185.8 million to J$442.8 million. This was driven largely by increased volume activity and taking advantage of one-off market opportunity.

Gains on securities trading, net was down 8% at J$1.13 billion. The prior period's results included one-off gains of J$500.6 million. If these gains were excluded then core gains on securities trading would reflect growth of 56%.

Country Contribution

Consistent with the Group's strategy to diversify revenue across the region, the table below shows the contribution to operating revenue from each jurisdiction.

Operating Revenue (in J$'000)	30-Jun-16	30-Jun-15
Jamaica	2,529,459	2,419,783
Trinidad & Tobago	614,598	464,368
Dominican Republic	274,782	226,099
Total	**3,418,839**	**3,110,250**

Operating revenue grew in all the territories and 26% (2015: 22%) of operating revenue was generated outside of Jamaica. Nevertheless, the Jamaican entities continued to post positive performance.

In Trinidad and Tobago, the Group's operations continued to move in a positive trajectory, reporting a 32% or J$150.2 million growth in operating revenue at J$614.6 million. In alignment with our long- strategy, management continued to build out the integrated financial services model. On May 2, 2016, we officially launched JMMB Bank T&T (formerly Intercommercial Bank). This re-positioning will leverage the brand equity of the JMMB Group in Trinidad and Tobago whilst reinforcing our commitment to the delivery of the unique JMMB value proposition in that market.

Our operations in the Dominican Republic also posted growth in operating revenue; this was up 22% or J$48.7 million at J$274.8 million. The current reporting period included contributions from JMMB Bank S.A., JMMB Sociedad Administradora De Fondos De Inversion, S.A. (SAFI, which provides mutual funds administration) as well as AFP JMMB BDI S.A. (AFP, which provides pension funds administration services); these were absent a year ago. The Group is now fully equipped to provide a complete range of services in the Dominican Republic according to our regional integrated financial services model.

Operating Efficiency

Our efficiency ratio (operating expenses/net operating revenue) was 75% at the end of the first quarter compared to 72.6% in the corresponding period last year. Operating expenses for the first quarter amounted to J$2.58 billion compared to J$2.3 billion a year ago. This increase was primarily attributable to the attendant costs to expand existing business lines across the region, mainly in the Dominican Republic. Notably, the AFP and SAFI are start-ups and are still in incubatory stages but are required to have a minimum staff complement for certain key roles as per regulations in the Dom Rep. However, the JMMB Puesto de Bolsa, S.A. (the securities company) continues to grow and drive profitability.

GROUP FINANCIAL POSITION

Total Assets

At the end of June 2016, the JMMB Group's asset base totalled J$244.92 billion, up J$22.38 billion or 10% relative to a year ago. The growth was due primarily to larger investment and loan portfolios. The investment portfolio increased by J$19.91 billion or 13% to J$170.93 billion. In addition, loans and advances, net of provision for credit losses was J$40.34 billion, up 21% or J$7.13 billion. The credit quality of the portfolio continues to perform well against international standards.

The growth in the asset base was funded by customer deposits and repurchase agreements. Customer deposits increased by J$6.15 billion or 15% to J$46.08 billion, while repurchase agreements were 7% higher at J$156.10 billion.

Capital

The Group continued to be adequately capitalized as its capital base increased by 5% or J$1.21 billion to end the period at J$23.57 billion, on account of net profits generated over the year. Consequently, the individually regulated companies within the Group continued to exceed the regulatory capital requirements. The regulatory ratios for major subsidiaries in the Group are listed below:

Company	Regulatory Ratio	Minimum Requirement	30-Jun-16
Jamaica Money Market Brokers Limited	Regulatory capital to risk weighted assets ratio	10%	16.49%
JMMB Merchant Bank Limited	Regulatory capital to risk weighted assets ratio	10%	19.01%
JMMB Bank (T&T) Limited formerly, Intercommercial Bank Limited	Regulatory capital to risk weighted assets ratio	10%	16.83%
Intercommercial Trust and Merchant Bank Limited	Regulatory capital to risk weighted assets ratio	10%	84.76%
JMMB Puesto de Bolsa, S.A.	Minimum capital	RD$5 million	RD$1,070 million

Funds under Management

In alignment with the Group's strategy of moving assets off balance sheet, managed clients' funds on a non-recourse basis under a management agreement was J$89.5 billion as at the end of June 2016 compared to J$58.76 billion as at end of June 2015.

Corporate Social Responsibility

During the first quarter of the current financial year, the JMMB Group continued to affirm its dedication to nation-building through its philanthropic efforts, which focused primarily on education, sports development, transformational leadership and community outreach.

Jamaica

The Joan Duncan Foundation in Jamaica led the charge, on behalf of the Group, during the first quarter. The JMMB Group announced the establishment of the JMMB/Joan Duncan Foundation endowment, valued at US$1 million to University of the West Indies (UWI), during the UWI Global Giving Week launch in May. The donation has been earmarked to provide scholarships, bursaries, student training and development, academic staff development at the regional institution and case writing at the UWI, Mona.

Additionally, in support of the Foundation's national project, Conversations for Greatness, recruitment and training of facilitators were undertaken to further support. The project is aimed at inspiring school teachers, administrators and other support staff, to unearth the greatness in themselves and their students.

The Foundation continued to lend financial support to several initiatives including: the Jamaica Football Federation (JFF) Coaching School; the Child Resiliency Programme; the Mustard Seed Community's Dare to Care programme, which caters to orphaned children with HIV/AIDS; several associations that care for individuals with special needs; as well as other community outreach efforts. The 3rd annual University of Technology/Joan Duncan Memorial Lecture, which was designed to honour the life and legacy of Joan Duncan, was held under the theme "*Mining Gold! How do* *we monetize Brand Jamaica's Music success?";* key industry experts shared on the occasion. In addition, Food For The Poor (Jamaica), in partnership with the Joan Duncan Foundation, officially handed over a greenhouse to the Papine High School.

The Dominican Republic

In the Dominican Republic, the team remained committed to partnering with UNPHU Emprende, the Entrepreneur division of the Universidad Nacional Pedro Henriquez Ureña, by facilitating mentorship opportunities for the businesses. Additionally, the company has established 1 of 4 national entrepreneurship centres with UNPHU, and will continue this partnership to institute other such centres as a joint initiative with the government, the education ministry and private sector. JMMB Puesto de Bolsa continued to provide funding to selected children's homes to support the welfare of these orphaned children.

Trinidad and Tobago

Over the period, the team in Trinidad and Tobago drafted a corporate social responsibility policy for approval at the committee level; in a bid to further streamline and allocate funding to support national initiatives with a more strategic approach.

General

The Directors thank and acknowledge all our loyal, supportive and valuable stakeholders who continue to contribute to our ongoing success.

Noel A. Lyon	Keith P. Duncan
Chairman	Group Chief Executive Officer

JMMB GROUP LIMITED

Consolidated Profit and Loss Account

Period ended 30 June 2016

(Expressed in Jamaican dollars unless otherwise indicated)

	Unaudited Three Months Ended 30-Jun-16	Unaudited Three Months Ended 30-Jun-15
	$'000	$'000
Net Interest Income and Other Revenue		
Interest income	3,617,452	3,281,969
Interest expense	(2,071,244)	(1,844,939)
Net interest income	**1,546,208**	**1,437,030**
Fee and commission income	297,721	190,533
Gains on securities trading, net	1,132,074	1,225,694
Foreign exchange trading, net	442,836	256,993
Operating revenue net of interest expense	**3,418,839**	**3,110,250**
Other Income		
Dividends	15,694	5,410
Other	1,213	-
	3,435,746	**3,115,660**
Operating Expenses	(2,578,708)	(2,261,381)
Profit before Taxation	**857,038**	**854,279**
Taxation	(263,657)	(251,356)
Profit for the period	**593,381**	**602,923**
Attributable to:		
Equity holders of the parent	590,494	585,789
Non-controlling interest	2,887	17,134
	593,381	**602,923**
Earnings Per Stock Unit	**$0.36**	**$0.36**

JMMB GROUP LIMITED

Consolidated Statement of Comprehensive Income

Period ended 30 June 2016

	Unaudited Three Months Ended 30-Jun-16	Unaudited Three Months Ended 30-Jun-15
	$'000	**$'000**
Profit for the period	593,381	602,923
Other comprehensive income:		
Items that may be subsequently reclassified to profit or loss:		
Unrealised gains on available for sale investments	419,799	245,174
Foreign exchange translation differences	130,810	46,305
	550,609	291,479
Total comprehensive income for period, net of tax	**1,143,990**	**894,402**
Total comprehensive income attributable to:		
Equity holders of the parent	1,179,219	835,934
Non-controlling interest	(35,229)	58,468
	1,143,990	**894,402**

JMMB GROUP LIMITED

Consolidated Statement of Financial Position

Period ended 30 June 2016

(Expressed in Jamaican dollars unless otherwise indicated)

	Unaudited as at 30-Jun-16	Unaudited as at 30-Jun-15	Audited as at 31-Mar-16
	$'000	$'000	$'000
ASSETS			
Cash and cash equivalents	23,824,493	27,604,863	25,509,721
Interest receivable	3,143,879	2,820,605	2,677,626
Income tax recoverable	1,227,477	1,926,734	1,446,489
Loans and notes receivable, net of provision	40,337,121	33,204,939	37,450,257
Other receivables	855,585	2,020,876	1,791,238
Investments and resale agreements	170,926,843	151,020,540	157,197,596
Investment properties	457,591	457,591	457,591
Deferred tax asset	172,993	68,476	165,892
Property, plant and equipment and intangible assets	3,845,739	3,342,691	3,787,254
Customers' liability under acceptances, guarantees and letters of credit as per contra	129,275	78,456	123,622
	244,920,996	**222,545,771**	**230,607,286**
EQUITY AND LIABILITIES			
Equity			
Share Capital	1,864,554	1,864,054	1,864,554
Retained earnings reserve	9,605,055	9,605,055	9,605,055
Investment revaluation reserve	1,609,984	2,246,356	1,152,069
Cumulative translation reserve	171,965	(68,193)	41,155
Retained earnings	9,558,478	7,892,488	9,261,483
	22,810,036	**21,539,760**	**21,924,316**
Non-controlling interest	757,036	816,818	792,265
Total equity	**23,567,072**	**22,356,578**	**22,716,581**
Liabilities			
Customer deposits	46,076,225	39,925,639	41,296,373
Due to other banks	482,517	445,950	499,166
Notes payable	4,647,726	3,746,464	4,414,355
Securities sold under agreements to repurchase	156,098,793	145,730,859	149,262,369
Redeemable preference shares	8,795,076	4,228,705	8,556,784
Interest payable	1,536,395	1,290,465	1,170,402
Income tax payable	214,848	408,438	117,795
Other payable	2,373,369	3,371,752	1,772,308
Deferred tax liability	999,700	962,465	677,531
Liabilities under acceptances, guarantees and letters of credit as per contra	129,275	78,456	123,622
	221,353,924	**200,189,193**	**207,890,705**
	244,920,996	**222,545,771**	**230,607,286**

JMMB GROUP LIMITED

Consolidated Statement of Changes in Stockholders' Equity

Period ended 30 June 2016

(Expressed in Jamaican dollars unless otherwise indicated)

	Share Capital	Retained Earnings Reserve	Investment Revaluation Reserve	Cumulative Translation Reserve	Retained Earnings	Attributable to Equity holders of the Parent	Non-Controlling Interest	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Balances at 31 March 2015 (Audited)	**1,864,054**	**9,605,055**	**2,037,032**	**(109,014)**	**7,567,587**	**20,964,714**	**758,350**	**21,723,064**
Profit for period	-	-	-	-	585,789	585,789	17,134	602,923
Other comprehensive income for period	-	-	209,324	40,821	-	250,145	41,334	291,479
Dividends paid	-	-	-	-	(260,888)	(260,888)	-	(260,888)
Balances at 30 June 2015 (Unaudited)	**1,864,054**	**9,605,055**	**2,246,356**	**(68,193)**	**7,892,488**	**21,539,760**	**816,818**	**22,356,578**
Balances at 31 March 2016 (Audited)	**1,864,554**	**9,605,055**	**1,152,069**	**41,155**	**9,261,483**	**21,924,316**	**792,265**	**22,716,581**
Profit for the period	-	-	-	-	590,494	590,494	2,887	593,381
Other comprehensive income for period	-	-	457,915	130,810	-	588,725	(38,116)	550,609
Dividends paid	-	-	-	-	(293,499)	(293,499)	-	(293,499)
Balances at 30 June 2016 (Unaudited)	**1,864,054**	**9,605,055**	**1,609,984**	**171,965**	**9,558,478**	**22,810,036**	**757,036**	**23,567,072**

JMMB GROUP LIMITED

Consolidated Statement of Cash Flows

Period ended 30 June 2016

(Expressed in Jamaican dollars unless otherwise indicated)

	Unaudited Three Months Ended 30-Jun-16	Unaudited Three Months Ended 30-Jun-15
	$'000	$'000
Cash Flows from Operating Activities		
Profit for the period	593,381	602,923
Adjustments for:		
Unrealised gains on trading securities	(29,402)	(40,363)
Depreciation and amortisation	126,535	118,041
	690,514	680,601
Changes in operating assets and liabilities	11,252,013	2,093,967
Net cash provided by operating activities	**11,942,527**	**2,774,568**
Cash Flows from Investing Activities		
Net purchase of investment securities	(13,149,236)	6,740,292
Purchase of property, plant and equipment and computer software	(185,020)	(321,497)
Net cash (used in)/provided by investing activities	**(13,334,256)**	**6,418,795**
Cash Flows from Financing Activities		
Dividends paid	(293,499)	(260,888)
Net cash used in financing activities	**(293,499)**	**(260,888)**
Net (decrease)/increase in cash and cash equivalents	**(1,685,228)**	**8,932,475**
Cash and cash equivalents at beginning of period	**25,509,721**	**18,672,388**
Cash and cash equivalents at end of period	**23,824,493**	**27,604,863**

JMMB GROUP LIMITED

Notes to the Financial Statements

Period ended 30 June 2016

(Expressed in Jamaican dollars unless otherwise indicated)

Segment Reporting

	Three months period ended 30 June 2016				
	Financial & Related Services	Banking & Related Services	Other	Eliminations	Total
	$'000	$'000	$'000	$'000	$'000
External revenues	4,189,912	1,280,169	36,909	-	5,506,990
Intersegment revenue	210,443	22,766	1,629	(234,838)	-
Total segment revenue	4,400,355	1,302,935	38,538	(234,838)	5,506,990
Profit before tax	747,906	101,527	7,605	-	857,038
Taxation					(263,657)
Profit for the period					593,381
Total segment assets	220,016,227	69,572,271	1,155,374	(45,822,877)	224,920,996
Total segment liabilities	196,697,788	59,640,855	1,091,173	(36,075,892)	221,353,924
Interest income	2,626,268	987,749	3,435	-	3,617,452
Operating expenses	1,664,276	883,499	30,933	-	2,578,708
Depreciation and amortisation	93,507	31,800	1,228	-	126,535
Capital expenditure	124,142	60,878	-	-	185,020

	Three months period ended 30 June 2015				
	Financial & Related Services	Banking & Related Services	Other	Eliminations	Total
	$'000	$'000	$'000	$'000	$'000
External revenues	3,845,291	1,095,356	19,952	-	4,90,599
Intersegment revenue	109,965	59,086	3,852	(172,903)	-
Total segment revenue	3,955,256	1,154,442	23,804	(172,903)	4,960,599
Profit before tax	692,885	153,590	7,804	-	854,279
Taxation					(251,356)
Profit for the period					602,923
Total segment assets	190,811,771	59,727,132	1,099,480	(29,092,612)	222,545,771
Total segment liabilities	168,309,112	50,685,451	1,033,158	(19,838,528)	200,189,193
Interest income	2,501,810	780,159	-	-	3,281,969
Operating expenses	1,655,911	569,538	35,932	-	2,261,381
Depreciation and amortisation	90,167	26,569	1,305	-	118,041
Capital expenditure	265,580	55,917	-	-	321,497

JMMB GROUP LIMITED

Notes to the Financial Statements

Period ended 30 June 2016

(Expressed in Jamaican dollars unless otherwise indicated)

1. Identification

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.

Name of Subsidiary	% Shareholding Held by Parent/Subsidiary		Country of Incorporation	Principal Activities
	Parent	Subsidiary		
JMMB Merchant Bank Limited	100		Jamaica	Merchant Banking
JMMB Money Transfer Limited	100		Jamaica	Funds transfer
Jamaica Money Market Brokers Limited and its subsidiaries	100		Jamaica	Securities brokering
JMMB Securities Limited		100	Jamaica	Stock brokering
JMMB Insurance Brokers Limited		100	Jamaica	Insurance brokering
JMMB Real Estate Holdings Limited		100	Jamaica	Real estate holding
Capital & Credit Securities Limited		100	Jamaica	Investment holding
JMMB Fund Managers Limited		100	Jamaica	Fund management
JMMB International Limited		100	St. Lucia	Investment holding and management
Jamaica Money Market Brokers (Trinidad and Tobago) Limited and its subsidiaries	100		Trinidad and Tobago	Investment 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, formerly Intercommercial Bank		100	Trinidad and Tobago	Commercial banking
Intercommercial Trust and Merchant Bank Limited		100	Trinidad and Tobago	Merchant banking
JMMB Holding Company Limited, SRL and its subsidiaries	100		Dominican Republic	Investment holding and management
JMMB Puesto de Bolsa,S.A.		80	Dominican Republic	Securities brokering
JMMB Sociedad Administradora De Fondos De Inversion, S.A.		70	Dominican Republic	Mutual fund administration
Banco Rio De Ahorro Y Credito JMMB Bank S.A		90	Dominican Republic	Savings and loans bank
AFP JMMB BDI S.A.		50	Dominican Republic	Pension funds administration services

JMMB GROUP LIMITED

Notes to the Financial Statements

Period ended 30 June 2016

(Expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies

(a) Basis of preparation

The Group's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). These consolidated financial statements have been prepared under the historical cost convention as modified by the revaluation of available-for-sale financial assets and financial assets at fair value through profit or loss, as well as investment properties.

There have been no changes in accounting policies since the most recent audited accounts as at 31 March 2016.

All amounts are stated in Jamaican dollars unless otherwise indicated.

(b) Basis of consolidation

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

Subsidiaries are all entities over which the company has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one half of the voting rights. 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 attained by 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 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 recognized directly in the consolidated statement of revenue and expenses.

JMMB GROUP LIMITED

Notes to the Financial Statements

Period ended 30 June 2016

(Expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(c) Financial instruments

General

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.

Classification of financial instruments

Financial instruments are classified, recognised and measured in accordance with the substance of the terms of the contracts as set out herein.

Management determines the appropriate classification of investments at the time of purchase, taking account of the purpose for which the investments were purchased. The Group classifies non-derivative financial assets into the following categories:

Loans and receivables: This comprises securities acquired, loans granted with fixed or determinable payments and which are not quoted in an active market.

Held-to-maturity: This comprises securities with fixed or determinable payments and fixed maturities that the Group has the positive intent and ability to hold to maturity.

Fair value through profit or loss: This comprises securities that the Group acquires for the purpose of selling or repurchasing in the near term, or that it holds as part of a portfolio that is managed together for short-term profit or position taking, or that it designates as such at the time of acquisition.

Available-for-sale: The Group's financial instruments included in this classification are securities with prices quoted in an active market or for which the fair values are otherwise determinable, and which are designated as such upon acquisition or not classified in any of the other categories.

(i) 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 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.

JMMB GROUP LIMITED

Notes to the Financial Statements

Period ended 30 June 2016

(Expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(c) Financial instruments (continued)

(ii) Investment securities

Investment securities are classified, recognised/derecognised and measured in the manner set out for financial instruments under "General" in this note 2(c) above.

(iii) Resale and repurchase agreements

Transactions involving purchases of securities under resale agreements ('resale agreements' or reverse repos') or sales of securities under repurchase agreements ('repurchase agreements' or 'repos) are accounted for as short-term collateralised lending and borrowing, respectively. Accordingly, securities sold under repurchase agreements remain on the statement of financial position and are measured in accordance with their original measurement principles. The proceeds of sale are reported as liabilities and are carried at amortised cost. Securities purchased under resale agreements are reported not as purchases of the securities, but as receivables and are carried in the statement of financial position at amortised cost. 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.

(iv) Loans and notes receivable and other receivables

Loans and notes receivable and other receivables are measured at amortised cost less allowance for impairment.

(v) Account payable

Accounts payable are measured at their amortised cost.

(vi) Interest-bearing borrowings

Interest-bearing borrowings [other than repos, which are described in Note 2(c) (iii)] 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.

(vii) 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.

JMMB GROUP LIMITED
Notes to the Financial Statements
Period ended 30 June 2016
(Expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(d) 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.

(e) 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 any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs meeting the criteria of IAS 38, are not capitalised and the expenditure is charged against profits in the year in which the expenditure is incurred. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period for an intangible asset with a finite useful life is reviewed at a minimum at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period and treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in profit or loss. Intangible assets with infinite useful lives are measured at cost less impairment losses. They are assessed for impairment at least annually.

(i) Computer software

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

JMMB GROUP LIMITED

Notes to the Financial Statements

Period ended 30 June 2016

(Expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(e) Intangible assets (continued)

(ii) Goodwill

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

(iii) Customer list

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

(iv) Licences

These assets represents the value of JMMB Securities Limited's seat on the Jamaica Stock Exchange and the banking licence and securities licence acquired for Intercommercial Bank Limited and AIC Securities Limited, which have indefinite useful lives. These assets are tested for impairment annually, and whenever there is an indication that the asset may be 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

(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 and presentation currency.

JMMB GROUP LIMITED
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Period ended 30 June 2016
(Expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(f) Foreign currency translation (continued)

(ii) Transactions and balances

Foreign currency transactions are accounted for at the exchange rates prevailing at the dates of the transactions. At the date of the statement of financial position, monetary assets and liabilities denominated in foreign currencies are translated using the closing exchange rates.

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

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

(iii) Group companies

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

- Assets and liabilities are translated at the closing rates at the date of that statement;
- 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 liability.

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

JMMB GROUP LIMITED
Notes to the Financial Statements
Period ended 30 June 2016
(Expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(h) Taxation

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

(i) Current income tax

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

(ii) Deferred income tax

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

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

(i) Impairment

The carrying amounts of the Group's 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.

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

(i) Calculation of recoverable amount

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

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

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Notes to the Financial Statements
Period ended 30 June 2016
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2. Summary of Significant Accounting Policies (Continued)

(i) Impairment (continued)

(ii) Reversals of impairment

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

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

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

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

(j) Revenue recognition

Revenue is income that arises from the ordinary activities of the Group. The principal types of revenue and the manner in which they are recognised are as follows:

(i) Interest income

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

(ii) Fees and commissions

Fee and commission income are recognised on the accrual basis when the service has been provided. Fees and commissions arising from negotiating or participating in the negotiation of a transaction for a third party are recognised on completion of the underlying transaction. Portfolio and other management advisory and service fees are recognised based on the applicable service contracts, usually on a time-apportionate basis. Asset management fees related to investment funds are recognised over the period in which the service is provided. Performance-linked fees or fee components are recognised when the performance criteria are fulfilled.

(iii) Dividends

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

JMMB GROUP LIMITED

Notes to the Financial Statements
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2. Summary of Significant Accounting Policies (Continued)

(k) Employee benefits

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

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

Pensions are the Group's only post-employment benefit. Pension fund costs included in Group profit or loss represent contributions to the defined-contribution funds which the Group operates to provide retirement pensions for the Group's employees (Note 30). Contributions to the fund, made on the basis provided for in the rules, are accrued and charged off when due.

(l) Operating leases

Payments made under operating leases are recognised in profit or loss on the straight line basis over the terms of the leases.

(m) 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.

(n) 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 the estimated future cash payments through the expected life of the financial liability (or, where appropriate, a shorter period) to the carrying amount of the financial liability.

(o) Borrowings

Borrowings are recognised initially at fair value net of transaction costs incurred. Borrowings are subsequently stated 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.

(p) Investment properties

Investment properties are held for rental yields and fair value gains. Investment properties are treated as a long-term investment and are carried at fair value. Fair value is determined every third year by an independent professional valuer, and in each of the two intervening years by the directors. Changes in fair values are recognised in profit or loss. Rental income from investment properties is recognised in profit or loss on the straight line basis over the tenor of the lease.

(q) Comparative Information

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current period.

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2. Summary of Significant Accounting Policies (Continued)

(r) Earnings per stock unit

Earnings per stock unit ("EPS") is computed by dividing profit attributable to the equity holders of the parent of J$590,494,000 (2015 – J$585,789,000) by the weighted average number of stock units in issue during the period, numbering 1,630,552,532 (2015 – 1,630,552,530).

(s) Managed funds

The company acts as agent and earns fees for managing clients' funds on a non-recourse basis under a management agreement. At 30 June 2016, funds managed in this way amounted to J$89,532,818,000 (2015 – J$58,761,231,000).