

JMMB GROUP LIMITED

Three Months Highlights

Three-month period ended 30 June 2020

(Expressed in Jamaican dollars unless otherwise indicated)

DIRECTORS' STATEMENT

PERFORMANCE HIGHLIGHTS

Net Operating Revenue	J\$5.00 billion
Net Interest Income	J\$2.42 billion
Operating Profit	J\$1.12 billion
Net Profit	J\$780 million
Earnings per Stock Unit	J\$0.39

The Directors are pleased to announce that the JMMB Group Limited posted a net profit of J\$780 million and earnings per share of J\$0.39 for the three months ended 30 June 2020.

GROUP CEO'S COMMENTARY

Despite the COVID-19 pandemic and its impact on the global and local economy, the JMMB Group delivered credible results for the three months ended June 2020, with operating profit of J\$1.12 billion. This represented a 39% decline relative to the prior period as our first quarter was characterized by low business activity. Given the uncertainty surrounding the pandemic, we shifted our focus to safeguarding the needs of our clients as well as our team members.

As a result, we implemented a very rigorous sanitization routine and other necessary protocols to ensure that our valued clients and team members could feel and transact safely. There was also an increased focus on convenience whereby we encouraged our clients to use our Moneyline platform. This resulted in strong growth in new users and increased usage from existing users. Further, the pandemic served as a catalyst for the expansion of our digital footprint as during the quarter we launched Real Time Equity Trading. This furnishes our clients with added capability of executing equity transactions in real time with the Jamaican Stock Exchange. We continued to support our clients by means of timely and sound financial advice as they navigate a period of heightened uncertainty. This was largely through our digital marketing initiatives as we remained in our client's world, albeit virtually. Client loyalty remained high during the period and was evidenced by strong growth in our clients' funds under management

The JMMB Group was also acutely aware that our team members needed support during this challenging time, especially as they adjusted to new work from home requirements. We implemented measures to ensure that the team morale remained high and emotional support was available.

Our share of profit from Sagicor Financial Corporation Limited (SFC) was also adversely impacted by the pandemic which resulted in our share of losses was J\$8.9 million for the quarter. This was primarily related to higher Expected Credit Losses (ECLs) due to the pandemic as well as an internal reinsurance transaction that resulted in a strengthening of the reserves. However, we are confident that this position will soon return to profitability and materially contribute to shareholders' value in a positive manner.

For the upcoming quarter, we expect uncertainty to persist in the financial space as the progression of COVID-19 and its further impact on economies is yet to be determined. In response, the JMMB Group continues to bolster its financial

JMMB GROUP LIMITED

Three Months Highlights

Three-month period ended 30 June 2020

(Expressed in Jamaican dollars unless otherwise indicated)

position by solidifying our strong capital base and increasing liquidity position ensuring that we are equipped to deal with any adverse situations.

GROUP FINANCIAL PERFORMANCE

Net Operating Revenue

The JMMB Group posted net operating revenue of J\$5 billion for the three months ended June 30, 2020. While this represented a 14% decline when compared to the prior period, the operating environment was markedly different given the pandemic. In the prior period, market sentiment was bullish and we successfully identified and capitalized on trading activities. Nevertheless, our clients continued to demonstrate confidence in the value of products and services which was evidenced by strong growth in the loan and investment portfolios. This coupled with effective spread management resulted in a 10% growth in net interest income which moved from J\$2.20 billion in the prior period to J\$2.42 billion in the period under review.

Further, fees and commission income was stable at J\$720 million compared to J\$737 million in the prior period. While business activity was muted, there was significant growth in managed funds and collective investment schemes across the Group

While our trading lines exceeded expectation, gains were below the prior year as bond and equity trading gains was J\$1.31 billion, while FX trading gains was J\$528M.

Segment Contribution

The table below shows the contribution to net operating revenue by segments.

Net Operating Revenue	J\$'000	Contribution (%)
Financial & Related Services	2,819,926	56%
Banking & Related Services	2,051,429	41%
Other	127,467	3%
Total	4,998,822	100%

The Banking & Related Services segment contributed J\$2.05 billion or 41% of net operating revenue. This represented a 31% increase when compared to the prior period and was largely on account of strong growth in the loan book which translated into increased net interest income. On the contrary, Financial and Related Services contributed J\$2.82 billion and declined by 29% as a consequence of reduced trading activities.

Operating Efficiency

Operating expenses was 3% lower than the prior period at J\$3.71 billion. Given reduced business activity, we implemented a cost containment program while prioritizing our efficiency related projects. The Group will continue to focus on extracting operational efficiency from all entities through the launch of its standardization and process improvements project.

JMMB GROUP LIMITED

Three Months Highlights

Three-month period ended 30 June 2020

(Expressed in Jamaican dollars unless otherwise indicated)

GROUP FINANCIAL POSITION

Total Assets

At the end of the reporting period, the JMMB Group's asset base totalled J\$431.8 billion, up J\$31.57 billion or 8% relative to the start of the financial year. This was mainly on account of a larger loan and investment portfolio as well as a larger liquidity buffer. Investment portfolio and loans and notes receivable grew by 8% and 3% to J\$213.84 billion and J\$101.61 billion, respectively. The credit quality of the loan portfolio continued to be comparable to international standards and we implemented enhanced monitoring to mitigate against possible deterioration in credit quality.

Growth in the asset base over the three-month period was funded by increases in customer deposits and repos. Customer deposits increased by J\$4.72 billion or 5% to J\$108.90 billion, while repos grew by J\$19.65 billion or 11% to J\$199.24 billion.

Capital

Company	Regulatory Measure	Minimum Requirement	30-Jun-20
Jamaica Money Market Brokers Limited	Regulatory capital to risk weighted assets ratio	10%	15.78%
JMMB Bank (Ja) Limited	Regulatory capital to risk weighted assets ratio	10%	13.22%
JMMB Bank (T&T) Limited	Regulatory capital to risk weighted assets ratio	10%	15.88%
JMMB Securities Limited	Net free capital	J\$82 million	J\$491 million
JMMB Puesto de Bolsa, S.A.	Regulatory capital to risk weighted assets ratio	15.50%	91%

Over the three-month period, shareholders' equity increased by 14% to J\$46.95 billion. This was largely on account of profitability for the quarter and rebound in emerging market bond prices which resulted in positive movement in investment revaluation reserve. Thus, the Group continued to be adequately capitalized and all individually

regulated companies within the Group continued to exceed their regulatory capital requirements. The performance of the major subsidiaries is shown in the table above.

Off-Balance Sheet Funds under Management

In alignment with the Group's strategy to provide complete, customized financial solutions for each client, we experienced growth in our off-balance sheet products which include pension funds, unit trusts and money market funds. The total invested in off-balance sheet products as at the end of June 2020 stood at J\$140.9 billion compared to J\$133.5 billion as at end of June 2019.

JMMB GROUP LIMITED

Three Months Highlights

Three-month period ended 30 June 2020

(Expressed in Jamaican dollars unless otherwise indicated)

The JMMB Group in the Community

Given the JMMB Group's regional footprint, the company remains committed to deepening its relationships in all the territories within which it operates. The Group is focused on transforming lives and by extension nations. As such, during the quarter, JMMB Group supported a range of initiatives geared towards entrepreneurship, education, financial inclusion, national development, transformation and community outreach efforts. However, involvement was curtailed by various governmental restrictions regarding the COVID-19 pandemic.

In **Jamaica**, the JMMB Joan Duncan Foundation donated over J\$10 million to the Private Sector Organization of Jamaica's (PSOJ) COVID-19 Relief Fund. The fund is designed to assist vulnerable citizens affected by the pandemic. Additionally, the Foundation partnered with the PSOJ, in support of its Access to Finance Facilitation Panel (AFFP) whose aim is to increase awareness and education around the reforms needed for the micro, small and medium enterprises (MSMEs). The PSOJ AFFP hosted 2 workshops with high public visibility which brought together all the stakeholders in the ecosystem in order to tackle the challenges faced by the MSME sector.

Although the COVID-19 pandemic resulted in school closures, our national project - Conversations for Greatness (CFG) – continued with a transition to virtual engagement. Through the CFG tool, the team remains committed to facilitate transformational conversations and to support school communities to maintain a positive mindset, to be solution-oriented and to stand for the greatness of their teams in the face of challenges. In keeping with the JMMB Joan Duncan Foundation's commitment to transform Jamaica, through education, the Foundation announced the opening of its scholarship application, which will cater to some of the most vulnerable, but promising students.

In the **Dominican Republic**, the JMMB Group made a donation to the Jamaican embassy. This assisted with the safe repatriation of Jamaican residents as well as the development of COVID-19 workplace protocols. The Group also donated medical supplies and provided financial support to vulnerable groups. Further, we established a hotline to support over 100 clients and non-clients. This hotline provided access to the necessary tools and advice to better navigate the crisis as well as to manage personal finances and debt.

The team remains committed to partnering with UNPHU Emprende, the Entrepreneur division of the Universidad Nacional Pedro Henríquez Ureña. With this partnership, JMMB provides training and financial advisory services to entrepreneurs. Additionally, JMMB offers a special award in the annual innovation and entrepreneurial competition hosted by UNPHU.

In **Trinidad and Tobago**, the Group was focused on empowerment initiatives and providing funding for outreach and children's homes namely: Couva Crisis Home, Raffa House, Wesleyan Children's Home, Rainbow Rescue and El Shaddi Home.

JMMB GROUP LIMITED

Three Months Highlights

Three-month period ended 30 June 2020

(Expressed in Jamaican dollars unless otherwise indicated)

General

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



Archibald Campbell

Chairman



Keith P. Duncan

Group Chief Executive Officer

JMMB GROUP LIMITED

Consolidated Profit and Loss Account

Three-month period ended 30 June 2020

(Expressed in Jamaican dollars unless otherwise indicated)

	Unaudited Three Months Ended 30-Jun-20 \$000	Unaudited Three Months Ended 30-Jun-19 \$000
Net Interest Income and Other Revenue		
Interest income	5,460,733	4,596,164
Interest expense	(3,036,546)	(2,400,581)
Net Interest Income	2,424,187	2,195,583
Fees and commissions income	720,203	736,669
Gain on securities trading, net	1,308,408	2,161,568
Foreign exchange margins from cambio trading	527,790	744,672
Dividends	18,234	4,998
Operating Revenue Net of Interest Expense	4,998,822	5,843,490
Operating expenses	(3,711,845)	(3,843,984)
Impairment loss on financial assets	(169,374)	(153,265)
Operating Profit	1,117,603	1,846,241
Other income	59	102
	1,117,662	1,846,343
Share of loss of associate	(8,946)	-
Profit before Taxation	1,108,716	1,846,343
Taxation	(328,505)	(727,783)
Profit for the Period	780,211	1,118,560
Attributable to:		
Equity holders of the parent	769,322	1,111,621
Non-controlling interest	10,889	6,939
	780,211	1,118,560
Earnings per stock unit	\$0.39	\$0.68

JMMB GROUP LIMITED

Consolidated Statement of Comprehensive Income

Three-month period ended 30 June 2020

(Expressed in Jamaican dollars unless otherwise indicated)

	Unaudited Three Months Ended 30-Jun-20 \$000	Unaudited Three Months Ended 30-Jun-19 \$000
Profit for the Period	780,211	1,118,560
Other comprehensive income		
<i>Items that may be reclassified to profit or loss:</i>		
Net gain on investment in debt instruments measured at FVOCI	5,253,488	963,416
Foreign exchange translation differences on translation of foreign subsidiaries	(289,215)	321,766
<i>Items that will not be reclassified to profit or loss:</i>		
Net gain on investment in equity instruments designated at FVOCI	30,157	486,642
Total other comprehensive income, net of tax	4,994,430	1,771,824
Total comprehensive income for period	5,774,641	2,890,384
Total comprehensive income attributable to:		
Owners of the parent	5,730,190	2,727,444
Non-controlling interest	44,451	162,940
	5,774,641	2,890,384

JMMB GROUP LIMITED

Consolidated Statement of Financial Position

Three-month period ended 30 June 2020

(Expressed in Jamaican dollars unless otherwise indicated)

	Unaudited as at 30-Jun-20 \$'000	Unaudited as at 30-Jun-19 \$'000	Audited as at 31-Mar-20 \$'000
ASSETS			
Cash and cash equivalents	56,633,725	44,771,593	42,636,000
Interest receivable	4,170,672	4,121,776	3,504,722
Income tax recoverable	608,655	290,860	618,210
Loans and notes receivable	101,607,831	73,513,279	98,841,073
Other receivables	5,713,060	1,711,089	6,992,662
Investments and resale agreements	213,843,899	220,705,501	198,270,483
Interest in associated companies	36,243,926	-	35,009,306
Investment properties	698,932	496,512	621,232
Property, plant and equipment and intangible assets	5,869,521	5,140,897	5,845,542
Deferred income tax asset	4,128,350	343,199	5,508,584
Right-of-use asset	1,653,666	-	1,849,321
Customers' liability under acceptances, guarantees and letters of credit as per contra	624,986	293,504	525,491
	431,797,223	351,388,210	400,222,626
STOCKHOLDERS' EQUITY			
Share capital	14,115,924	1,864,554	14,115,924
Retained earnings reserve	9,605,055	9,605,055	9,605,055
Investment revaluation reserve	(1,717,573)	3,452,980	(6,919,287)
Cumulative translation reserve	76,885	(222,024)	317,731
Retained earnings	23,876,870	18,092,823	23,107,548
	45,957,161	32,793,388	40,226,971
Non-controlling interest	996,634	1,201,272	952,183
Total equity	46,953,795	33,994,660	41,179,154
Liabilities			
Customer deposits	108,899,993	76,364,380	104,183,074
Due to other financial institutions	304,521	172,891	210,605
Securities sold under agreements to repurchase	199,238,570	175,714,638	179,589,980
Notes payable	43,964,019	37,995,990	45,087,432
Lease liabilities	1,783,471	-	1,948,668
Redeemable preference shares	17,555,265	16,822,264	17,116,952
Interest payable	1,905,705	2,194,104	1,633,703
Income tax payable	2,165,237	1,902,175	1,920,743
Other payables	8,352,796	5,749,245	6,777,046
Deferred income tax liabilities	48,865	184,359	49,778
Liability under acceptances, guarantees and letters of credit as per contra	624,986	293,504	525,491
	384,843,428	317,393,550	359,043,472
	431,797,223	351,388,210	400,222,626

Archibald Campbell
Chairman

Keith P. Duncan
Group Chief Executive Officer

JMMB GROUP LIMITED

Consolidated Statement of Changes in Stockholders' Equity

Three-month period ended 30 June 2020

(Expressed in Jamaican dollars unless otherwise indicated)

	Share Capital	Retained Earnings Reserve	Investment Revaluation Reserve	Cumulative Translation Reserve	Retained Earnings	Attributable to holders of the Parent	Non-Controlling Interest	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balances at March 31, 2019 (Audited)	1,864,554	9,605,055	2,114,147	(499,014)	16,981,202	30,065,944	1,038,332	31,104,276
Profit for the period	-	-	-	-	1,111,621	1,111,621	6,939	1,118,560
Other comprehensive income for period	-	-	1,338,833	276,990	-	1,615,823	156,001	1,771,824
Total comprehensive income for period	-	-	1,338,833	276,990	1,111,621	2,727,444	162,940	2,890,384
Balances at 30 June 2019 (Unaudited)	1,864,554	9,605,055	3,452,980	(222,024)	18,092,823	32,793,388	1,201,272	33,994,660
Balances at March 31, 2020 (Audited)	14,115,924	9,605,055	(6,919,287)	317,731	23,107,548	40,226,971	952,183	41,179,154
Profit for the period	-	-	-	-	769,322	769,322	10,889	780,211
Other comprehensive income for period	-	-	5,201,714	(240,846)	-	4,960,868	33,562	4,994,430
Total comprehensive income for period	-	-	5,201,714	(240,846)	769,322	5,730,190	44,451	5,774,641
Balances at 30 June 2020 (Unaudited)	14,115,924	9,605,055	(1,717,573)	76,885	23,876,870	45,957,161	996,634	46,953,795

JMMB GROUP LIMITED

Consolidated Statement of Cash Flows

Three-month period ended 30 June 2020

(Expressed in Jamaican dollars unless otherwise indicated)

	Unaudited Three Months Ended 30-Jun-20 \$'000	Unaudited Three Months Ended 30-Jun-19 \$'000
Cash Flows from Operating Activities		
Profit for the period	780,211	1,118,560
Adjustments for:		
Share of loss of associate	8,946	-
Unrealised loss on trading securities	(24,667)	(190,391)
Depreciation and amortisation	237,580	171,020
	<u>1,002,070</u>	<u>1,099,189</u>
Changes in operating assets and liabilities	24,696,204	25,381,405
Net cash provided by operating activities	<u>25,698,274</u>	<u>26,480,594</u>
Cash Flows from Investing Activities		
Investment securities, net	(10,612,547)	(13,117,318)
Dividend received	228,024	-
Purchase of property, plant and equipment and computer software	(192,613)	(277,913)
Net cash used in investing activities	<u>(10,577,136)</u>	<u>(13,395,231)</u>
Cash Flows from Financing Activities		
Notes payable	(1,123,413)	959,834
Net cash provided by/(used in) financing activities	<u>(1,123,413)</u>	<u>959,834</u>
Net increase in cash and cash equivalents	13,997,725	14,045,197
Cash and cash equivalents at beginning of year	<u>42,636,000</u>	<u>30,726,396</u>
Cash and cash equivalents at end of period	<u><u>56,633,725</u></u>	<u><u>44,771,593</u></u>

JMMB GROUP LIMITED

Notes to the Financial Statements

Three-month period ended 30 June 2020

(Expressed in Jamaican dollars unless otherwise indicated)

Segment Reporting

	Three-month period ended 30 June 2020				
	Financial & Related Services	Banking & Related Services	Others	Eliminations	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
External revenues	5,248,341	2,659,619	127,467	-	8,035,427
Intersegment revenue	1,403,758	145,931	-	(1,549,689)	-
Total segment revenue	6,652,099	2,805,550	127,467	(1,549,689)	8,035,427
Share of loss of associate					(8,946)
Profit before tax	662,136	357,671	88,909	-	1,108,716
Taxation					(328,505)
Profit for the period					780,211
Total segment assets	397,812,595	155,461,246	2,107,348	(123,583,966)	431,797,223
Total segment liabilities	361,134,867	132,518,253	1,845,279	(110,654,971)	384,843,428
Interest Income	3,336,520	2,122,981	1,232	-	5,460,733
Operating expenses	2,068,691	1,605,585	37,569	-	3,711,845
Depreciation & amortisation	118,286	115,795	3,499	-	237,580
Capital expenditure	107,968	84,645	-	-	192,613

JMMB GROUP LIMITED

Notes to the Financial Statements

Three-month period ended 30 June 2020

(Expressed in Jamaican dollars unless otherwise indicated)

Segment Reporting

	Three-month period ended 30 June 2019				
	Financial & Related Services	Banking & Related Services	Others	Eliminations	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
External revenues	5,842,499	2,349,194	52,480	-	8,244,173
Intersegment revenue	1,841,563	64,163	-	(1,905,726)	-
Total segment revenue	7,684,062	2,413,357	52,480	(1,905,726)	8,244,173
Profit before tax	1,574,350	260,068	11,925	-	1,846,343
Taxation					(727,783)
Profit for the period					1,118,560
Total segment assets	310,182,906	121,588,930	1,677,950	(82,061,576)	351,388,210
Total segment liabilities	277,931,081	107,802,028	1,609,323	(69,948,882)	317,393,550
Interest Income	2,946,247	1,648,015	1,902	-	4,596,164
Operating expenses	2,302,456	1,501,285	40,243	-	3,843,984
Depreciation & amortisation	106,315	62,087	2,618	-	171,020
Capital expenditure	205,700	60,008	12,205	-	277,913

JMMB GROUP LIMITED

Notes to the Financial Statements

Three-month period ended 30 June 2020

(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.

JMMB Group Limited has interest in several subsidiaries and an associated company which are listed below. The company and its subsidiaries are collectively referred to as “Group”.

Name of Subsidiary and Associate	% Shareholding Held by Parent/Subsidiary		Country of Incorporation	Principal Activities
	Parent	Subsidiary		
Jamaica Money Market Brokers Limited and its subsidiaries	100		Jamaica	Securities brokering
JMMB Securities Limited		100	Jamaica	Stock brokering
JMMB Insurance Brokers Limited		100	Jamaica	Insurance brokering
JMMB Real Estate Holdings Limited		100	Jamaica	Real estate holding
Capital & Credit Securities Limited		100	Jamaica	Investment holding
JMMB Fund Managers Limited		100	Jamaica	Fund management
JMMB International Limited	100		St. Lucia	Investment holding and management
JMMB Bank (Jamaica) Limited	100		Jamaica	Commercial banking
JMMB Money Transfer Limited	100		Jamaica	Funds transfer
Jamaica Money Market Brokers (Trinidad and Tobago) Limited and its subsidiaries	100		Trinidad and Tobago	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 and its subsidiary,		100	Trinidad and Tobago	Commercial banking
JMMB Express Finance (T&T) Limited		100	Trinidad and Tobago	Merchant banking and consumer financing
JMMB Holding Company 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
Associate				
Sagicor Financial Company Limited	22.5		Bermuda	Life and health insurance, pension, banking and investment management

JMMB GROUP LIMITED

Notes to the Financial Statements

Three-month period ended 30 June 2020

(Expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies

(a) Basis of preparation

The Group's condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The condensed consolidated financial statements should be read in conjunction with the accounting policies as set out in Note 2 and 36 of the audited financial statements for the year ended 31 March 2020.

All amounts are stated in Jamaican dollars unless otherwise indicated.

Amendment to IAS 1, *Presentation of Financial Statements* and IAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors* is effective for annual periods beginning on or after January 1, 2020, and provides the following definition of 'material' to guide preparers of financial statements in making judgements about information to be included in financial statements.

"Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity."

The Group does not expect the amendment to have a significant impact on its financial statements.

JMMB GROUP LIMITED

Notes to the Financial Statements

Three-month period ended 30 June 2020

(Expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (continued)

(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 of an investee, where there is exposure to variability of returns and the Company can use its power to influence the returns. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are no longer consolidated from the date that control ceases.

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

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

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

(i) Non-controlling interests

Non-controlling interests (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.

JMMB GROUP LIMITED

Notes to the Financial Statements

Three-month period ended 30 June 2020

(Expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (continued)

(b) Interest in associated company

Associated company is an entity over which the Group has significant influence but not control, generally accompanying a shareholding between 20% and 50% of the voting rights. Investments in associates are accounted for by the equity method of accounting and are initially recognised at cost. The Group's investment in associated company includes goodwill (net of any accumulated impairment loss) identified on acquisition.

(c) Earnings per stock unit

Earnings per stock unit ("EPS") is computed by dividing profit attributable to the equity holders of the parent of J\$769,321,973 (2019 – J\$1,111,621,386) by the weighted average number of stock units in issue during the period, numbering 1,955,552,532 (2019 – 1,630,552,532).

(d) Managed funds

The Group acts as agent and earns fees for managing clients' funds on a non-recourse basis under a management agreement. At 30 June 2020, funds managed in this way amounted to J\$140,900,918,292 (2019 – J\$133,509,413,359).

(e) Comparative Information

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

JMMB GROUP LIMITED

Share Ownership of the Directors and Executive Team Leaders Period ended 30 June 2020

Directors	Ordinary Shareholding	Connected Parties
Donna Duncan-Scott	7,678,110	ESOP
	71,700	
	37,041,951	JVF O.N. LTD
	37,530,103	CONCISE O.N. LTD
Archibald Campbell	108,400	
	16,000	Lauren Campbell
	894,827	Odette Campbell
Keith P. Duncan	20,591	
	48,438,366	CONCISE E.I. LTD
	40,311,674	JVF E.I. LTD
	846,745	ESOP
V. Andrew Whyte	200,000	
Wayne Sutherland	135,800	Patricia Sutherland
	1,800	Joshua & Patricia Sutherland
	23,540,838	CONCISE R.I. LTD
Dennis Harris	493,277	
Dr. Anne Crick	5,234	
Hugh Duncan	4,828	
Reece Kong	-	
Audrey Welds	100,000	
Audrey Deer Williams	-	
Andrew Cocking	10,025,000	
	23,700	Chelsi Cocking
H. Wayne Powell	294,800	
	205,400	Jennifer Powell
Patricia Dailey Smith	5,200	Brittany Smith
	2,500	Brittany Smith
Patria-Kaye Aarons	180	Kwasi Oginga Charles
Executive Team Leaders	Ordinary Shareholding	Connected Parties
Donna Duncan-Scott	7,678,110	ESOP
	71,799	
	37,041,951	JVF O.N. LTD
	37,530,103	CONCISE O.N. LTD
Keith Duncan	846,745	ESOP
	20,591	
	48,438,366	CONCISE E.I. LTD
	40,311,674	JVF E.I. LTD
Carolyn DaCosta	74,640	ESOP
	260,544	
	3,357	Craig DaCosta
	127,169	Dermott DaCosta
	4,795	Merline DaCosta
Paul Gray	5,237	Amanda DaCosta
	763,731	ESOP
	263,280	Teverly Gray
	46,600	Brittany & Teverly Gray
Julian Mair	27,300	Toni-Ann & Teverly Gray
	239,711	ESOP
Patrick Ellis	239,872	ESOP
Janet Patrick	854,461	ESOP
	64,832	
Hugh O. Duncan	4,828	
Damion Brown	210,677	ESOP
	249,400	
Kerry Ann Stimpson	780,032	ESOP
Claudine Tracey	908,000	ESOP
	60,900	
Peta-Gaye Bartley	847,260	ESOP
	11,000	Samuel Bartley

JMMB GROUP LIMITED

Top 10 Largest Shareholders of the JMMB Group

Period ended 30 June 2020

Name of Shareholder	Number of Shares	Percentage Ownership
PROVEN INVESTMENTS	391,310,525	20.01%
TRUSTEES JMMB ESOP	172,681,449	8.83%
COLONIAL LIFE INSURANCE CO (TRINIDAD) LTD	103,453,776	5.29%
NATIONAL INSURANCE FUND	89,174,704	4.56%
PANJAM INVESTMENTS LIMITED	68,071,220	3.48%
SJIML A/C 3119	55,872,550	2.86%
CONCISE E.I. LTD	48,438,366	2.48%
JVF O.E. LTD	44,300,000	2.27%
SAGICOR POOLED EQUITY FUND	43,141,378	2.21%
JVF E.I. LTD	40,311,674	2.06%
Total	1,056,755,642	54.04%