

JMMB GROUP LIMITED

Three Months Highlights

Three-month period ended 30 June 2023

(Expressed in Jamaican dollars unless otherwise indicated)

DIRECTORS' STATEMENT

PERFORMANCE HIGHLIGHTS

Net Operating Revenue	J\$6.59 billion
Net Interest Income	J\$2.10 billion
Net Profit	J\$2.55 billion
Earnings per Stock Unit	J\$1.28

The Directors are pleased to announce that the JMMB Group Limited posted net profit of J\$2.55 billion and earnings per share of J\$1.28 for the three months ended 30 June 2023.

GROUP CEO'S COMMENTARY

Credible despite difficult market conditions

The quarterly performance was delivered in the face of challenging market conditions and underscores the efficacy of the group's diversification strategy. The Group remains steadfast in its execution of this strategy as reflected by increasing contributions to revenue from territories outside of Jamaica as well as business lines outside of Investments.

The Group remains solid, safe and secure as evidenced by its continued maintenance of regulatory capital requirements for each operating territory. The Group's policy has been to maintain a strong capital base that exceeds regulatory requirements to enable continued growth of the business and maintain the confidence of the market. The team remains steadfast in its purpose and its mission to transform the lives of each client that it serves and the territories within which it operates.

Revenue diversification strategy delivers notable performance

During this period, the contractionary monetary policy resulting in a high interest rate environment particularly in Jamaica and the Dominican Republic continued to impact the financial performance of the Group. These conditions impacted net interest income as well as gains on securities trading during the period, which are historically key drivers of revenue for the business.

The JMMB Group's diversification strategy has consistently positioned it to successfully deliver strong financial performance, particularly during challenging market conditions. Notably, the Group's strategic investment in Sagicor Financial Company Limited (SFC) contributed J\$1.73B to the Group's profitability.

Strengthening capabilities to satisfy client needs

The JMMB Group continues to prioritize the safety of its clients and has continued to proactively enhance its ability to protect client data, mitigate cyber threats, and maintain the trust and confidence of its valued clients. Additionally, the team continues to execute its digital transformation agenda geared towards improving operational efficiency, client experience and enabling deeper client partnership. The Group's online banking platform, Moneyline, empowers clients to monitor and manage their portfolios digitally without visiting a branch.

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Looking ahead

According to the IMF's World Economic Outlook published in July 2023, global headline inflation is expected to fall from 8.7% in 2022 to 6.8% in 2023 and to 5.2% in 2024. This expectation signals that markets could experience gradually improved conditions, as central banks are expected to lessen monetary policy.

This outlook augurs well for projected financial performance, as this would result in a rebound of the market to include lower cost of funds and improved margins on the banking and investment business line, improved asset prices as well as investment and trading opportunities which would result in improved performance of the Investment business line.

In the quarter ahead, the Group will remain focused on its "smart growth" strategy through diversification of earning streams, expansion into new geographies, expanding and launching new business lines, launch of new products, while improving operational efficiency to drive growth and profitability.

GROUP FINANCIAL PERFORMANCE

Net Operating Revenue

The Group posted net operating revenue of J\$6.59 billion for the three months ending June 30, 2023, reflecting a marginal increase of 1%. This was within the context of a challenging operating environment as global interest rates are much higher than the prior period. This especially impacted margins and consequently, net interest income declined by 28% to J\$2.1 billion. Market sentiment also impacted fees and commission income as well as FX trading gains were 17% lower at J\$1.39 billion and 24% lower at J\$671 million, respectively. Otherwise, clients continue to demonstrate confidence in the value of solutions and services as evidenced by the strong growth of the loan and investment portfolios.

Whilst the market condition is not conducive to outsized trading gains as regular trading activities remained low, the Group continued to execute the strategy of nimbly identifying and successfully executing trading opportunities. Further, the monetary policy direction was reversed in the Dominican Republic to an expansionary stance. This was evidenced by two policy rate cuts during the quarter and resulted in higher levels of trading. Thus, trading gains were 131% higher at J\$2.36 billion.

Segment Contribution

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

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Net Operating Revenue	J\$'000	Contribution (%)
Financial & Related Services	3,076,010	47%
Banking & Related Services	3,291,661	50%
Other	225,180	3%
Total	6,592,851	100%

The Banking & Related Services segment contributed J\$3.29 billion or a half of net operating revenue. This was flat when compared to the prior period as the segment was adversely

impacted by rising interest rates. Nevertheless, there continued to be strong growth in the loan book.

The Financial and Related Services segment contributed J\$3.08 billion or 47% of net operating revenue and reflected a decline of 5%. This largely reflected rising interest rates as well.

Operating Efficiency

Operating expenses moved from J\$5.32 billion to J\$5.82 billion and reflected inflationary increases as well as strategic spend related to longer-term initiatives aimed at improving the posture and positioning of the Group. Thus, operational efficiency moved from 81% to 88%. Nevertheless, the Group will continue to focus on projects aimed at yielding scale and efficiency and thus contribute to long term shareholder value.

Interest in Associated Company

For the period under review, the Group recorded share of profits of J\$1.73 billion from its associated company, Sagicor Financial Company Limited (SFC). These results reflect the adoption of IFRS 17 – Insurance Contracts, which the Group adopted April 1, 2023. Given that SFC adopted a retrospective approach, the prior year's financial result was restated and reflected a share of loss of J\$2.9 billion (Note 6).

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GROUP FINANCIAL POSITION

Total Assets

At the end of the reporting period, the Group's asset base totalled J\$679.6 billion, up 3% relative to the start of the financial year. This was mainly on account of a larger loan portfolio which grew by 6% to J\$189 billion. The credit quality of the loan portfolio continued to be comparable to international standards and the Group continues to maintain enhanced monitoring to mitigate against possible deterioration in credit quality. Growth in the asset base over the three-month period was primarily funded by an increase in customer deposits. Deposits grew by 6% to J\$182.70 billion.

Capital

Company	Regulatory Measure	Minimum Requirement	30-Jun-23
Jamaica Money Market Brokers Limited	Regulatory capital to risk weighted assets ratio	10%	17.40%
JMMB Bank (Ja) Limited	Regulatory capital to risk weighted assets ratio	10%	11.41%
JMMB Bank (T&T) Limited	Regulatory capital to risk weighted assets ratio	10%	13.75%

Over the three-month period, shareholders' equity increased by 13% to J\$56 billion. This was on account of increased net profit posted as well as an improvement in the investment revaluation reserve. Thus, the Group continues to be adequately

capitalized and all individually regulated companies within the Group continue to exceed their regulatory capital requirements. The performance of the major subsidiaries is shown in the table above.

Off-Balance Sheet Funds under Management

The Group continued to execute on its strategy to provide complete, customized financial solutions for each client. This includes off-balance sheet products such as pension funds, unit trusts and money market funds. For the period under review, congruent with the decline in asset prices globally, assets in these funds were adversely impacted. Consequently, the total invested in off-balance sheet products as at the end of June 2023 stood at J\$186.08 billion compared to J\$190.04 billion as at 30 June 2022.

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The JMMB Group in the Community

JMMB Group remains committed to forging and maintaining genuine relationships with the wider society, in which it operates, across Jamaica, Dominican Republic and Trinidad & Tobago. During this period, the Group's corporate social responsibility efforts was largely focused on: educational initiatives, transformational training, entrepreneurship and other community outreach initiatives.

The JMMB Joan Duncan Foundation in **Jamaica**, focused primarily on nation-building initiatives, educational development, and transformational training. As such, the Foundation answered the call to support the transformation of Jamaica by committing J\$60M to Project STAR, a social transformational and renewal programme, led by the Private Sector Organization of Jamaica (PSOJ) in partnership with the Jamaica Constabulary Force (JCF). In keeping with one of the key components of Project STAR, to provide pathways for employment, JMMB Group has provided employment opportunities for more than 40% of the individuals in Cohort 1 of the project, with one-year contracts. This is a tangible way of empowering individuals towards economic sustainability for themselves and their families.

Additionally, the Foundation staged its second Conversations for Greatness (CFG) conference where hundreds of attendees were challenged to join the 'One Love' Movement and play an active role in transforming Jamaica through the 'Power of Love'. Through this conference the Foundation hopes to ignite a sense of personal responsibility among Jamaicans to bring to reality the equitable nation conceived as part of Vision 2030.

In honour of the life and legacy of the late Joan Duncan, the 10th annual memorial lecture hosted by JMMB Joan Duncan Foundation and Utech, Jamaica brought together experts and enthusiasts to discuss the business of entertainment industry - opportunities and challenges. Ibrahim "IB" Konteh, entrepreneur, author and expert marketer was the guest speaker.

The Foundation continued to support the Child Resiliency programme to the tune of approximately J\$16M. This after-school programme is designed for children identified as being at risk for violence and abuse. Through partnerships with school, community, church, family and police, the programme integrates sports, nutrition, cultural arts and academic support to build resiliency in the children referred.

To mark Child's Month, the JMMB Joan Duncan Foundation partnered with the National Child Month Committee (NCMC) by funding the playground for Old Pera Basic School located in St. Thomas. The donation will assist to create a safe, inclusive, and supportive environment for play for the over 50 students in attendance at the school.

In the **Dominican Republic**, the team continued to focus its efforts in supporting youth development through entrepreneurship, financial literacy and community outreach. As such, the team continues to partner with the UNPHU entrepreneurship center, to provide financial advisory services, facilitate in the promotion of products and services, trainings and workshops for these budding entrepreneurs, who are a part of the programme.

As part of its community outreach efforts, the team also continued to support the welfare and nutritional needs of children at selected homes and orphaned children.

Over the period, the Corporate Social Responsibility (CSR) committee in **Trinidad & Tobago**, spearheaded a range of community outreach initiatives and entrepreneurial projects. The team partnered with The Humming Bird Foundation, which supports children with long-term diseases. Additionally, the CSR team lead the donation efforts at Hope General Children's unit where toys, books were distributed as well as renovation of a room. The JMMB Group team in TT also partnered with the Soroptimist Club of San Fernando to donate solarponics to grow vegetables for a community, while also supporting other community outreach projects.

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General

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

A handwritten signature in blue ink, appearing to read 'Archibald Campbell'.

Archibald Campbell
Chairman

A handwritten signature in blue ink, appearing to read 'Keith P. Duncan'.

Keith P. Duncan
Group Chief Executive Officer

JMMB GROUP LIMITED

Consolidated Profit and Loss Account

Three-month Period ended 30 June 2023

(Expressed in Jamaican dollars unless otherwise indicated)

	Unaudited Three Months Ended 30-Jun-23 \$000	(Restated) Unaudited Three Months Ended 30-Jun-22 \$000
Net Interest Income and Other Revenue		
Interest income	9,853,584	7,837,475
Interest expense	(7,749,021)	(4,927,464)
Net Interest Income	2,104,563	2,910,011
Fees and commissions income	1,387,833	1,672,953
Gain on securities trading, net	2,364,207	1,025,444
Foreign exchange margins from cambio trading	671,499	883,196
Dividends	64,749	61,571
Operating Revenue Net of Interest Expense	6,592,851	6,553,175
Operating expenses	(5,816,252)	(5,317,180)
Operating Profit	776,599	1,235,995
Other income	10,784	4,117
	787,383	1,240,112
Impairment loss on financial assets	(490,084)	(374,690)
Share of profit/(loss) of associate	1,733,703	(2,895,830)
Profit/(loss) before Taxation	2,031,002	(2,030,408)
Taxation	520,287	(148,640)
Profit/(loss) for the Period	2,551,289	(2,179,048)
Attributable to:		
Equity holders of the parent	2,503,834	(2,236,390)
Non-controlling interest	47,455	57,342
	2,551,289	(2,179,048)
Earnings per stock unit (Note 3)	1.28	(1.14)

JMMB GROUP LIMITED

Consolidated Statement of Comprehensive Income

Three-month Period ended 30 June 2023

(Expressed in Jamaican dollars unless otherwise indicated)

	Unaudited Three Months Ended 30-Jun-23 \$000	(Restated) Unaudited Three Months Ended 30-Jun-22 \$000
Profit/(loss) for the Period	2,551,289	(2,179,048)
Other comprehensive income		
<i>Items that may be reclassified to profit or loss:</i>		
Net gain/(loss) on investment in debt instruments measured at FVOCI	2,563,944	(5,298,989)
Foreign exchange translation differences on translation of foreign subsidiaries	606,640	(756,932)
<i>Items that will not be reclassified to profit or loss:</i>		
Net gain on investment in equity instruments designated at FVOCI	921,560	84,544
Total other comprehensive income/(loss), net of tax	4,092,144	(5,971,377)
Total comprehensive income/(loss) for period	6,643,433	(8,150,425)
Total comprehensive income/(loss) attributable to:		
Owners of the parent	5,974,742	(7,823,783)
Non-controlling interest	668,691	(326,642)
	6,643,433	(8,150,425)

JMMB GROUP LIMITED

Consolidated Statement of Financial Position

As at 30 June 2023

(Expressed in Jamaican dollars unless otherwise indicated)

	Unaudited as at 30-Jun-23 \$'000	(Restated) Unaudited as at 30-Jun-22 \$'000	(Restated) Unaudited as at 1-Apr-23 \$'000
ASSETS			
Cash and cash equivalents	58,844,619	63,124,812	59,740,897
Interest receivable	6,639,867	5,675,835	5,923,575
Income tax recoverable	584,529	429,792	538,608
Loans and notes receivable	188,954,213	152,501,158	177,976,354
Other receivables	9,302,099	9,409,969	7,696,847
Investments and resale agreements	350,724,420	331,813,449	346,667,273
Interest in associated company	37,551,713	38,015,709	35,385,270
Investment properties	2,916,241	1,359,115	2,635,310
Property, plant and equipment and intangible assets	8,301,852	7,272,466	8,302,715
Deferred income tax asset	14,976,580	12,040,171	14,624,907
Right-of-use asset	803,611	1,092,547	858,124
	679,599,744	622,735,023	660,349,880
STOCKHOLDERS' EQUITY			
Share capital	14,115,924	14,115,924	14,115,924
Retained earnings reserve	9,605,055	9,605,055	9,605,055
Investment revaluation reserve	(13,842,012)	(16,458,831)	(16,725,133)
Cumulative translation reserve	2,306,302	2,175,601	1,718,515
Retained earnings	42,123,897	37,668,426	39,620,063
	54,309,166	47,106,175	48,334,424
Non-controlling interest	1,695,959	1,406,237	1,027,268
	56,005,125	48,512,412	49,361,692
Liabilities			
Customer deposits	182,740,409	150,347,565	173,102,022
Due to other financial institutions	15,148,446	15,032,533	14,160,608
Securities sold under agreements to repurchase	316,096,042	305,489,879	317,683,671
Notes payable	62,776,150	56,793,137	62,110,033
Lease liabilities	959,382	1,276,632	1,011,332
Redeemable preference shares	28,799,182	28,507,833	28,499,239
Interest payable	5,003,208	3,715,264	4,871,550
Income tax payable	1,385,038	1,596,868	1,315,361
Other payables	10,648,329	11,332,711	8,216,974
Deferred income tax liabilities	38,433	130,189	17,398
	623,594,619	574,222,611	610,988,188
	679,599,744	622,735,023	660,349,880

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 2023

(Expressed in Jamaican dollars unless otherwise indicated)

	Share Capital	Retained Earnings Reserve	Investment Revaluation Reserve (Restated)	Cumulative Translation Reserve	Retained Earnings (Restated)	Attributable to holders of the Parent	Non- Controlling Interest	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balances at March 31, 2022 (Audited)	14,115,924	9,605,055	(11,337,082)	2,641,245	39,904,816	54,929,958	1,462,088	56,392,046
Loss for the period	-	-	-	-	(2,236,390)	(2,236,390)	57,342	(2,179,048)
Other comprehensive loss for period	-	-	(5,121,749)	(465,644)	-	(5,587,393)	(383,984)	(5,971,377)
Total comprehensive income for period	-	-	(5,121,749)	(465,644)	(2,236,390)	(7,823,783)	(326,642)	(8,150,425)
Paid in capital	-	-	-	-	-	-	270,791	270,791
Balances at 30 June 2022 (Unaudited)	14,115,924	9,605,055	(16,458,831)	2,175,601	37,668,426	47,106,175	1,406,237	48,512,412
Balances at March 31, 2023 (Audited)	14,115,924	9,605,055	(16,882,314)	1,718,515	44,775,811	53,332,991	1,027,268	54,360,259
Changes on associate company's application of IFRS 17	-	-	157,181	-	(5,155,748)	(4,998,567)	-	(4,998,567)
Balances at April 1, 2023 (Unaudited)	14,115,924	9,605,055	(16,725,133)	1,718,515	39,620,063	48,334,424	1,027,268	49,361,692
Profit for the period	-	-	-	-	2,503,834	2,503,834	47,455	2,551,289
Other comprehensive income for period	-	-	2,883,121	587,787	-	3,470,908	621,236	4,092,144
Total comprehensive income for period	-	-	2,883,121	587,787	2,503,834	5,974,742	668,691	6,643,433
Balances at 30 June 2023 (Unaudited)	14,115,924	9,605,055	(13,842,012)	2,306,302	42,123,897	54,309,166	1,695,959	56,005,125

JMMB GROUP LIMITED

Consolidated Statement of Cash Flows

Three-month period ended 30 June 2023

(Expressed in Jamaican dollars unless otherwise indicated)

	Unaudited Three Months Ended 30-Jun-23 \$'000	(Restated) Unaudited Three Months Ended 30-Jun-22 \$'000
Cash Flows from Operating Activities		
Profit/(loss) for the period	2,551,289	(2,179,048)
Adjustments for:		
Share of (profit)/loss of associate	(1,733,703)	2,895,830
Unrealised (gain)/loss on trading securities	(1,098,266)	114,578
Depreciation and amortisation	335,761	286,503
	55,081	1,117,863
Changes in operating assets and liabilities	(357,118)	5,782,312
Net cash (used in)/provided by operating activities	(302,036)	6,900,175
Cash Flows from Investing Activities		
Investment securities, net	(586,240)	(4,860,732)
Dividends received	337,951	602,658
Purchase of property, plant and equipment and computer software	(345,953)	(568,584)
Net cash used in investing activities	(594,241)	(4,826,658)
Cash Flows from Financing Activities		
Notes payable	-	(1,129,050)
Net cash used in financing activities	-	(1,129,050)
Net (decrease)/increase in cash and cash equivalents	(896,278)	944,467
Cash and cash equivalents at beginning of year	59,740,897	62,180,345
Cash and cash equivalents at end of period	58,844,619	63,124,812

JMMB GROUP LIMITED

Notes to the Financial Statements

Three-month period ended 30 June 2023

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Segment Reporting

	Three-month period ended 30 June 2023				
	Financial & Related Services	Banking & Related Services	Others	Eliminations	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
External revenues	8,502,966	5,624,957	224,733	-	14,352,656
Intersegment revenue	2,330,921	61,891	-	(2,392,812)	-
Total segment revenue	10,833,887	5,686,848	224,733	(2,392,812)	14,352,656
Share of profit of associate					1,733,703
Profit before tax	1,556,287	305,573	169,142	-	2,031,002
Taxation					520,287
Profit for the period					2,551,289
Total segment assets	608,684,616	273,414,290	4,324,470	(206,823,632)	679,599,744
Total segment liabilities	548,513,310	246,136,877	3,230,435	(174,286,003)	623,594,619
Interest Income	4,969,350	4,874,722	9,512	-	9,853,584
Operating expenses	3,224,175	2,538,364	53,713	-	5,816,252
Depreciation & amortisation	207,830	123,563	4,368	-	335,761
Capital expenditure	167,867	55,632	122,454	-	345,953

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Segment Reporting

	Three-month period ended 30 June 2022 (Restated)				
	Financial & Related Services	Banking & Related Services	Others	Eliminations	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
External revenues	6,859,626	4,567,888	57,242	-	11,484,756
Intersegment revenue	2,095,973	52,616	-	(2,148,589)	-
Total segment revenue	8,955,599	4,620,504	57,242	(2,148,589)	11,484,756
Share of loss of associate					(2,895,830)
Loss before tax	(2,674,058)	640,410	3,240	-	(2,030,408)
Taxation					(148,640)
Loss for the period					(2,179,048)
Total segment assets	588,112,321	233,241,896	2,970,326	(201,589,520)	622,735,023
Total segment liabilities	538,536,021	209,116,125	2,595,736	(176,025,271)	574,222,611
Interest Income	4,315,384	3,517,788	4,303	-	7,837,475
Operating expenses	2,972,957	2,291,627	52,596	-	5,317,180
Depreciation & amortisation	63,236	218,828	4,439	-	286,503
Capital expenditure	376,360	60,586	131,638	-	568,584

JMMB GROUP LIMITED

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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		
JMMB Financial Holdings Limited	100		Jamaica	Financial holding company
Jamaica Money Market Brokers Limited and its subsidiaries		100	Jamaica	Securities brokering
JMMB Securities Limited		100	Jamaica	Stock brokering
JMMB Insurance Brokers Limited		100	Jamaica	Insurance brokering
JMMB Fund Managers Limited		100	Jamaica	Fund management
JMMB Bank (Jamaica) Limited		100	Jamaica	Commercial banking
JMMB Money Transfer Limited		100	Jamaica	Funds transfer
JMMB Real Estate Holdings Limited	100		Jamaica	Real estate holding
Capital & Credit Securities Limited	100		Jamaica	Investment holding and management
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		100	Trinidad and Tobago	Merchant banking and consumer financing
JMMB Holding Company, SRL and its subsidiaries	100		Dominican Republic	Investment holding and management
JMMB Puesto de Bolsa, S.A.		80	Dominican Republic	Securities brokering
JMMB Sociedad Administradora de Fondos de Inversion, S.A.		70	Dominican Republic	Mutual fund administration
Banco Multiple JMMB Bank, S.A. formerly Banco Rio De Ahorro Y Credito JMMB Bank S.A		90	Dominican Republic	Savings and loans bank
AFP JMMB BDI S.A.		50	Dominican Republic	Pension funds administration services
Associate				
Sagicor Financial Company Limited		23.32 (2022: 23.33)	Bermuda	Life and health insurance. pension, banking and investment management

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Notes to the Financial Statements

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(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 37 of the audited financial statements for the year ended 31 March 2023.

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 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 2023

(Expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (continued)

(c) 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.

The Group has adopted IFRS 17 – Insurance Contracts (“IFRS 17”) for the first time on 1 April 2023 as the standard is relevant to its associate Sagicor Financial Company Limited (SFC). IFRS 17 replaces IFRS 4 – Insurance Contracts (“IFRS 4”), which is effective for annual reporting periods beginning on or after 1 January 2023, to be applied retrospectively. The overall impact of adopting IFRS 17 will have a significant impact on total assets and profit for the period of the associate, which will similarly impact the Group to the extent of their investment in the associate (note 6).

3. Earnings per stock unit

Earnings per stock unit (“EPS”) is computed by dividing profit attributable to the equity holders of the parent of J\$2,503,834,000 (2022 – (J\$2,236,390,000)) by the weighted average number of stock units in issue during the period, numbering 1,955,552,532 (2022 – 1,955,552,532).

4. 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 2023, funds managed in this way amounted to J\$186,082,389,422 (2022 – J\$190,936,461,271).

5. Comparative Information

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

6. Restatement

The Group's associated company Sagicor Financial Company Limited (SFC) adopted IFRS 17 – Insurance Contracts, effective January 1, 2023. This standard has brought significant changes to the accounting for insurance and reinsurance contracts. SFC has adopted a retrospective approach, which has resulted in restatement of its financial results. The Group has therefore restated the comparative amounts in the associated company effective April 1, 2023 which is highlighted below.

Except for the changes noted below, The Group has consistently applied the accounting policies as set out in its consolidated annual financial statement for the period ended 31 March 2023.

JMMB GROUP LIMITED

Notes to the Financial Statements

Three-month period ended 30 June 2023

(Expressed in Jamaican dollars unless otherwise indicated)

6. Restatement (continued)

Statement of Financial Position

30 June 2022	Group		
	As Previously Reported	Adjustments	As Restated
	\$'000	\$'000	\$'000
Assets			
Interest in associated company	40,171,421	(2,155,712)	38,015,709
Others	584,719,314	-	584,719,314
Total Assets	624,890,735	(2,155,712)	622,735,023
Retained earnings	41,820,483	(4,152,057)	37,668,426
Investment revaluation reserve	(18,455,176)	1,996,345	(16,458,831)
Other	25,896,580	-	25,896,580
	49,261,887	(2,155,712)	47,106,175
Non-controlling interest	1,406,237	-	1,406,237
Total equity	50,668,124	(2,155,712)	48,415,412

Statement of Profit or Loss and Other Comprehensive Income

30 June 2022	Group		
	As Previously Reported	Adjustments	As Restated
	\$'000	\$'000	\$'000
Operating profit	1,235,995	-	1,235,995
Other income	4,117	-	4,117
	1,240,112	-	1,240,112
Impairment loss on financial assets	(374,690)	-	(374,690)
Share of profit/(loss) of associate	1,256,227	(4,152,057)	(2,895,830)
Profit/(Loss) before taxation	2,121,649	(4,152,057)	(2,030,408)
Taxation	(148,640)	-	(148,640)
Profit/(Loss) for the period	1,973,009	(4,152,057)	(2,179,048)

Statement of Cash Flow

30 June 2022	Group		
	As Previously Reported	Adjustments	As Restated
	\$'000	\$'000	\$'000
Cash flow from operating activities			
Profit/(Loss) for the period	1,973,009	(4,152,057)	(2,179,048)
Share of profit/(loss) of associate	(1,256,227)	4,152,057	2,895,830
Changes in operating assets and liabilities			
Others	6,183,393	-	6,183,393
Net cash provided by operating activities	6,900,175	-	6,900,175

JMMB GROUP LIMITED

Share Ownership of the Directors and Executive Team Leaders Period ended 30 June 2023

Directors	Ordinary Shareholding	Connected Parties
Donna Duncan-Scott	7,678,110	ESOP
	34,761,950	JVF O.N. LTD
	37,530,103	CONCISE O.N. LTD
Archibald Campbell	108,400	
	16,000	Lauren Campbell
	894,827	Odette Campbell
Keith P. Duncan	20,591	
	47,438,366	CONCISE E.I. LTD
	40,311,674	JVF E.I. LTD
	846,745	ESOP
V. Andrew Whyte	200,000	
Wayne Sutherland	2,135,800	Patricia Sutherland
	26,540,838	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
Executive Team Leaders	Ordinary Shareholding	Connected Parties
Donna Duncan-Scott	7,678,110	ESOP
	34,761,950	JVF O.N. LTD
	37,530,103	CONCISE O.N. LTD
Keith Duncan	846,745	ESOP
	20,591	
	47,438,366	CONCISE E.I. LTD
	40,311,674	JVF E.I. LTD
Carolyn DaCosta	74,640	ESOP
	263,474	
	3,357	Craig DaCosta
	127,169	Dermott DaCosta
	4,795	Merline DaCosta
	5,237	Amanda DaCosta
Paul Gray	763,731	ESOP
	263,280	Teverly Gray
	46,600	Brittany & Teverly Gray
	27,300	Toni-Ann & Teverly Gray
Julian Mair	239,711	ESOP
Patrick Ellis	239,872	ESOP
Janet Patrick	854,461	ESOP
	64,832	
Kerry Ann Stimpson	780,032	ESOP
Claudine Tracey	563,000	ESOP
	60,900	
Peta-Gaye Bartley	847,260	ESOP
	11,000	Samuel Bartley
Peter Thompson	147,181	ESOP
	182,825	
Avinash Bissessar	15,700	

JMMB GROUP LIMITED

Top 10 Largest Shareholders of the JMMB Group

Period ended 30 June 2023

Name of Shareholder	Number of Shares	Percentage Ownership
PROVEN INVESTMENTS LIMITED	391,310,525	20.010%
TRUSTEES JMMB ESOP	183,009,135	9.358%
NATIONAL INSURANCE FUND	108,231,640	5.535%
COLONIAL LIFE INSURANCE CO (TRINIDAD) LTD	88,453,776	4.523%
PANJAM INVESTMENTS LIMITED	55,700,921	2.848%
SJIML A/C 3119	55,572,542	2.842%
CONCISE E.I. LTD	47,438,366	2.426%
JVF O.E. LTD	43,900,000	2.245%
SAGICOR POOLED EQUITY FUND	41,808,030	2.138%
JVF E.I. LTD	40,311,674	2.061%
Total	1,055,736,609	53.99%