Your Goals. Full Stop.

ANNUAL REPORT
2008

Vision 2025

JMMB is the market leader in creating products and services, backed by Caribbean and Central American asset classes, for the domestic and international marketplace.

We are acknowledged as experts by the regional and international markets in Caribbean and Central American asset classes.

We are the authoritative source of information and research related to Caribbean assets.

Clients rank JMMB as the preferred partner, enabling their financial empowerment.

We are a multifaceted financial institution.

JMMB invests in businesses where our core competencies can be leveraged to achieve significant contribution to profits.

JMMB's team members are passionate, purposeful, competent and fulfilled, having a genuine prospect of financial freedom.

JMMB is recognised as making meaningful contributions to the Caribbean's social and economic realities.

JMMB is established in the main international financial centres, leveraging our Caribbean heritage.

We are an international company, proud of our Jamaican roots.

JMMB is traded on the Caribbean and other international stock exchanges.

JMMB is acknowledged as dynamic, safe, stable and secure.

Mission

To be a dynamic, international, multifaceted financial group that has a caring, loving and fun environment where team members are productive, creative, happy and fulfilled.

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

Solidity, ethics, credibility and openness are hallmarks of our existence as experts in all aspects of our operations.

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Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the company will be held at the Terra Nova All-Suites Hotel, 17 Waterloo Road, Kingston 10, on Wednesday, September 17th, 2008 at 10:00 a.m., for the purpose of transacting the following business, namely:

1. To consider the Company's Audited Consolidated Accounts and the Reports of the Directors and Auditors for the year ended March 31, 2008.

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

   "THAT the Directors' Report, the Auditors' Report and the Statements of Account of the Group for the year ended March 31, 2008 be received."

2. To approve and ratify interim dividends.

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

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

   "THAT the interim dividends of Eleven (11) cents paid on December 14 2007 and Twelve (12) cents paid on June 27th 2008 making a total of Twenty Three (23) cents for the year, be and are hereby ratified and declared as final and that no further dividend be paid in respect of the year under review."

3. To elect directors who retire in accordance with the company's Articles of Association. The directors retiring from office by rotation pursuant to Article 105 of the company's Articles of Association are Dr. Noel A. Lyon, Mr. Richard Trotman and Mrs. Donna Duncan-Scott, who being eligible offer themselves for re-election. Mr. Rodger Braham, having been appointed to the Board of Directors since the last Annual General Meeting, shall retire and being eligible, offer himself for election.

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

(a) THAT Dr. Noel A. Lyon be and is hereby re-elected a Director of the company;
(b) THAT Mr. Richard Trotman be and is hereby re-elected a Director of the company; and
(c) THAT Mrs. Donna Duncan-Scott be and is hereby re-elected a Director of the company.
(d) THAT Mr. Rodger Braham be and is hereby re-elected a Director of the company.

4. To appoint auditors and authorise the Directors to fix the remuneration of the Auditors

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

"THAT KPMG , Chartered Accountants, having agreed to continue in office as auditors, be and are hereby appointed auditors of the Company to hold office until the next annual general meeting at a remuneration to be fixed by the Directors of the Company".

Dated this 7th day of July 2008

By Order of the Board

Carolyn DaCosta
Secretary

REGISTERED OFFICE
6 Haughton Terrace
Kingston 10

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

JMMB at a Glance

JMMB GROUP PERFORMANCE

Throughout the financial year, the JMMB Group continued on its path towards achieving the goals set forth in our Vision 2025. The Group continued to enjoy strong growth in assets which increased by 14% from J$89.6 billion to J$102 billion. JMMB's associate companies impacted positively on performance with profits up significantly by 209%. CMMB Trinidad and Barbados experienced a rebound in profitability by 145% as interest rates stabilized in these countries resulting in a strong recovery in net interest income and the profits of the Intercommercial Banking Group increased by 30% before tax. The performance of these companies led to the share of profits of associated companies increasing from J$76m to J$235m at the end of 2008 financial year.

RESILIENT LOCAL PERFORMANCE

JMMB Jamaica rallied against the various challenges of the financial year under review and remains a strong and profitable company with heavy emphasis on corporate governance. JMMB's Jamaican operations delivered an increase in Net Interest Income which was up 6% to J$1.535 billion, despite volatility in interest rates in the local market and the global fallout from the sub prime crisis affecting the United States.

FUTURE PROSPECTS

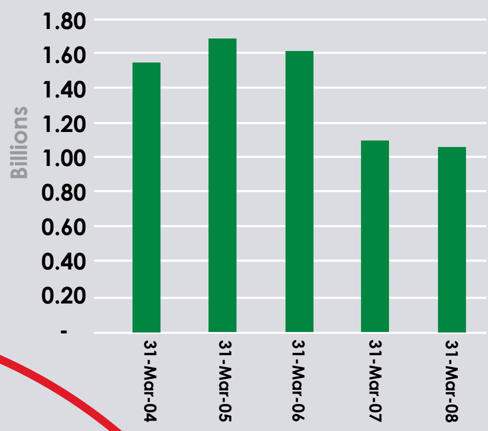
With increasing competition in the diverse financial sectors, JMMB is actively exploring strategies to continue to grow our income, particularly our fee income. We will continue building on our pillars of growth: expanding products for the corporate and consumer markets, cementing our new line of business in credit services, and executing our plans for greenfield expansion.

This year, as we celebrate 15 years of growth and success, JMMB is firmly on a path for positive medium and long-term growth. Our team is engaged and committed as we move forward to achieve the goals set forth in our Vision 2025.

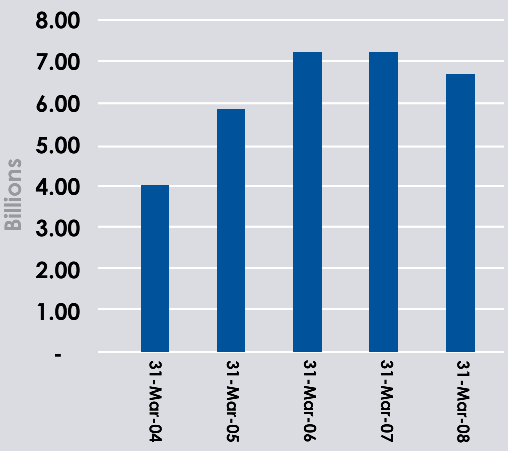
We encourage you our valued clients and shareholders to continue to deepen your relationship with us as we strive to provide products and services that will help you achieve your financial goals. Together we can share in success.

Assets Under Management

Profit After Tax



Stockholders' Equity



Ten Year Statistical Review

	Year ended 31-Mar-08 2008 (J$`000)	Year ended 31-Mar-07 2007 (J$`000)	Year ended 31-Mar-06 2006 (J$`000)
GROUP FINANCIAL DATA			
Total assets	102,415,766	89,618,957	81,880,170
Resale agreements	5,487,875	4,116,240	9,376,949
Investments	85,570,383	76,362,152	63,285,620
Other earning assets	5,586,956	5,451,464	5,276,891
Fixed assets	966,017	747,940	685,153
Repurchase agreements	88,246,690	77,353,059	70,761,258
Stockholders' equity	6,644,413	7,166,896	7,198,449
Funds under management	111,757,466	88,631,247	79,414,404
Operating revenue net of interest expense	3,324,949	3,384,483	2,845,131
Administrative expenses	2,177,396	1,708,729	1,496,190
Profit before tax	1,254,902	1,526,459	1,844,422
Net profit	1,061,610	1,098,603	1,590,430
Dividends (declared in respect of the fiscal year/period)	321,946	336,578	263,411
Profit retained (in respect of the fiscal year/period)	739,664	762,025	1,327,019
RATIOS			
Earnings per stock unit (cents)	73	75	109
Dividends per stock unit (cents)	22	23	18
Dividend payout ratio	30.3%	30.6%	16.6%
Market Price per share (J$)	11.75	10.50	12.62
Price earnings ratio	16	14	12
Return on average equity	15.35%	15.29%	25.60%
Return on average assets	0.28%	1.28%	2.60%
Stockholders equity per stock unit (J$)	4.55	4.90	4.92
Net interest margin	18.44%	18.29%	24.10%
Funds under management per team member (J$'000)	335,608	303,532	282,614
Net profit per team member	3,188	7,525	6,153
Efficiency ratio (Admin. exp/Operating revenue net of int.exp.)	65.48%	50.52%	52.60%
OTHER DATA			
Exchange rate J$ per US$1.00	71.02	68.14	65.50
Inflation rate year over year (%)	19.90%	6.60%	11.10%
Number of stock units at year end	1,463,386,752	1,463,386,752	1,463,386,752
Number of team members (JMMB & Subs.)	333	292	281
Number of branches	9	9	8

Year ended 31-Mar-05 2005 (J$`000)	13 months ended 31-Mar-04 2004 (J$`000)	Year ended 28-Feb-03 2003 (J$`000)	Year ended 28-Feb-02 2002 (J$`000)	Year ended 28-Feb-01 2001 (J$`000)	Year ended 29-Feb-00 2000 (J$`000)	Year ended 28-Feb-99 1999 (J$`000)
63,889,888	61,215,631	48,945,993	39,022,166	21,238,909	15,992,187	14,656,247
8,839,025	18,059,384	8,247,468	6,859,379	6,694,937	4,752,474	8,133,830
48,481,878	37,828,581	36,027,531	24,434,731	12,917,671	10,443,119	5,580,476
3,021,790	3,400,938	2,164,638	1,854,618	1,211,603	401,123	644,955
432,193	326,996	298,216	160,895	113,842	80,327	75,195
54,791,793	55,102,420	46,184,956	36,692,555	20,049,321	15,195,156	14,032,728
5,800,961	4,012,109	1,861,536	1,174,011	699,581	469,482	292,602
63,982,494	63,833,807	52,268,700	41,494,600	23,495,100	20,003,668	13,200,586
2,566,810	1,990,529	1,521,068	1,017,650	674,641	493,842	448,153
1,206,293	1,001,663	834,320	487,672	364,883	263,195	235,317
1,765,177	1,518,604	934,575	536,343	344,921	231,931	160,914
1,648,481	1,547,155	1,038,252	548,956	331,899	186,315	113,776
263,411	234,142	180,093	100,128	82,421	46,578	12,061
1,385,070	1,313,013	858,159	448,828	249,478	139,737	101,715
113	106	71	38	53	33	23
18	16	12	7	10	9	5
15.9%	15.13%	17.35%	18.24%	24.83%	25.00%	10.60%
17.00	16.65	7.42	-	-	-	-
15	16	10	-	-	-	-
33.40%	52.68%	68.41%	58.60%	56.78%	48.90%	47.06%
2.60%	2.81%	2.36%	1.82%	1.78%	1.22%	0.94%
3.96	2.74	1.27	0.80	0.82	0.86	1.12
24.80%	14.71%	12.71%	11.21%	11.63%	9.28%	9.04%
271,112	324,029	305,665	257,730	183,555	190,511	133,339
6,985	7,641	6,072	3,034	2,593	1,774	1,149
47.00%	50.32%	54.85%	51.00%	54.09%	53.30%	52.51%
61.54	60.90	53.74	47.53	45.78	42.09	38.03
12.40%	17.30%	5.70%	8.10%	6.70%	8.20%	6.30%
1,463,386,752	1,463,386,752	1,463,386,752	1,463,386,752	856,986,752	547,746,751	261,192,001
236	197	171	161	128	105	99
8	7	7	7	7	7	7

Chairman's Report

Committed to Our Vision

Noel A. Lyon, PhD
Chairman

Dear Shareholder,

It is my privilege to submit to you the Annual Report for the JMMB Group for the year ended March 31, 2008. As usual, I will reference the broader strategic initiatives of the Company leaving the details to be covered in the Group Chief Executive Officer's presentation.

Impressively, revenues held stable in Jamaica, despite a challenging environment and our significant investment to expand our business reach. Much of this investment was one-off and we feel that we are now strategically well placed to drive shareholders' value upwards over the coming years.

For CMMB, 2007/08 was another challenging year. Rising inflation and increasing interest rates in Trinidad and Tobago put spread income from Repurchase Agreements under severe pressure. The decline in the prices of Emerging Market (EM) bonds also affected the value of securities held in the portfolio. After eight years of operating in the region, we have experienced many cycles and therefore we remain optimistic that EM bonds will rebound.

CMMB's profitability improved significantly with after tax earnings growing from TT$11 million to TT$35.5 million. We expect this upward trend to continue into the 2008/09 fiscal year.

Great progress has been made in establishing our new subsidiary JMMB BDI America in the Dominican Republic. We have received final sign off on our licence and so we are now in a position to roll out operations aggressively in the coming year. We are still convinced this market has great potential and that the establishment of an operation in this country will prove to be a critical link in our strategic initiative to expand in the Caribbean.

Intercommercial Bank Limited (IBL), in Trinidad and Tobago, performed well with profit before tax increasing 30% over the prior year. The bank is poised for further growth in the near future with the expansion of its retail presence and will continue to successfully leverage the JMMB Group to generate revenue from businesses that operate between Jamaica and Trinidad. Year 2008 marks the tenth anniversary of the Intercommercial Banking Group and, interestingly, this event also coincides with the Group's achievement of a balance sheet position in excess of one billion TT dollars (TT$1 billion).

Our work on a daily and monthly basis draws its ultimate meaning, importance and rewards from successfully serving your needs and doing so to the best of our collective abilities.

I wish to compliment the leadership team and other team members for their strategic management of the business during a challenging year and for having the vision to strategically invest in new endeavours to ensure future growth. Their expertise, commitment and dynamic responsiveness to the market environment enabled us to deliver stable performance results, despite the many challenges. We will continue to develop our team and, of course, further permeate the JMMB culture and vision of love throughout our expanding and existing businesses.

I wish also to thank my fellow Directors for their contributions of long hours, critical and constructive suggestions and for their selfless dedication.

It is with pleasure that I welcome Carolyn DaCosta (MBA Manchester Business School) as our Group Company Secretary, Carolyn has been with JMMB since February 1995 and the many positions she has held in the Company have placed her in a unique position of being thoroughly familiar with all aspects of JMMB's businesses. Carolyn's substantive position is that of Group Compliance Manager. To Marc Harrison who was our Company Secretary for a long time, we say thanks for an exemplary and outstanding performance. We also take this opportunity to wish him well as he spreads his wings a little further.

In conclusion, I wish to say once again that it is you our shareholders (many of whom are also clients) to whom we are most thankful for your continuing support and commitment. We celebrated our 15th Anniversary this year and we could not have achieved this milestone without you. Our work on a daily and monthly basis draws its ultimate meaning, importance and rewards from successfully serving your needs and doing so to the best of our collective abilities. We re-affirm our dedication to that task in all that we do in the coming year and beyond.

Noel A. Lyon, PhD
Chairman

BOARD OF DIRECTORS

KEITH P. DUNCAN, CFA, BSc
Keith Duncan was appointed Group CEO of JMMB after 11 years of solid contribution to the company in roles of increasing responsibility. As Group CEO, Keith Duncan has helped to maintain the company's premier position as leader in the industry. Mr. Duncan completed his undergraduate studies in Economics at the University of Western Ontario in Canada and gained his Chartered Financial Analyst (CFA) accreditation in 2001. Mr. Duncan was appointed President of the Jamaica Securities Dealers Association (JSDA) in July 2005 and served until July 2007. Keith also served as Chairman of the National Youth Service (NYS) for the period 2003 – September 2007 and he is currently the Chairman of the Youth Empowerment Foundation of Jamaica.

DR. ANNE CRICK, PhD
Dr. Anne P. Crick holds a PhD in Organizational Management which she obtained from Rutgers State University of New Jersey in 2000. In addition to Rutgers, Dr. Crick attended Pennsylvania State University where she obtained a MSc. (Hons.) in Organizational Management after graduating with a BSc in Hotel Management from the University of the West Indies. She is currently an Associate Dean and a Programme Director at the Mona Campus of the University of the West Indies.

DR. NOEL LYON, PhD
Dr. Noel Lyon was appointed to the Board of Directors of Jamaica Money Market Brokers on October 23, 1992 and presides over the Human Resources committee. In addition to sitting on the Board of IBL, Dr. Lyon is also the Chairman of JMMB Insurance Brokers, JMMB Securities Ltd, Caribbean Money Market Brokers Ltd and CMMB Securities Ltd. His experience includes being CEO, Jamaica Development Bank; Managing Director, National Development Bank of Jamaica Ltd; Advisor to the Governor, Bank of Jamaica and Managing Director, Frome, Monymusk Land Company. He has also held Directorships in many private and government entities including Bank of Jamaica, EXIM Bank, Jamaica Tourist Board, Jamaica Bauxite Mining Co. Ltd., and Braco Resorts Limited. Dr. Lyon attended the University of Guelph and was awarded a PhD in Economics in 1969 from Harvard University.

RICHARD TROTMAN, MSc.
Richard Trotman has been a director of JMMB since April 14, 2003 and sits on the Chairman of the Risk Management Sub-Committee of the Board of Directors. He currently holds the position of Group Corporate Finance Executive with the CL Financial Group, where he is actively involved in corporate finance, investments, divestments, corporate restructuring, mergers and acquisitions. Educated at the University of the West Indies, Mr. Trotman holds a LLM (Corporate & Commercial Law) and both a BSc. and MSc. in Accounting.

CAROLYN DACOSTA, MBA, BA (Hons)
Carolyn DaCosta holds the dual position of Group Compliance Manager and Company Secretary. She joined JMMB in February 1995 and in 1998 was promoted to Manager, Technical Operations and Compliance. Her latest appointment as Company Secretary came in March 2008. Ms. DaCosta holds an undergraduate degree from the University of the West Indies and an MBA in Finance from the Manchester Business School. Prior to joining JMMB, Ms. DaCosta worked as a Research Officer at the Fair Trading Commission and held varying positions at the former Mutual Security Bank. She recently attained her Certified Internal Systems Auditor (CISA) certification and is a Member of the International Compliance Association (MICA).

HUGH DUNCAN MBA, B.Sc.
Hugh Duncan was appointed to the board of JMMB in 2007. As CEO and Managing Director of Intercommercial Bank Limited (IBL) he is primarily responsible for pursuing the growth and expansion strategies of both Intercommercial Trust and Merchant Bank Limited (ITMBL) and its parent bank, IBL. Mr. Duncan has over twenty years experience in the Banking and Financial services sectors and has held senior positions at Citibank (Trinidad) and Citibank International in Manila, The Philippines. Having worked with the Jamaica Bauxite Mining Company and the Trinidad and Tobago Oil Company (now Petrotrin) Hugh Duncan's experience also spans the energy sector. He holds an MBA from Concordia University and a Bachelor of Commerce Degree from Montreal's George Williams University.

V. Andrew Whyte, MBA

Cedric Stewart, MSc.
ESOP Representative

Archibald A. Campbell, FCA, MSc.
Deputy Chairman

Donna K. Duncan-Scott, CFA, MBA
Group Executive Director

Dennis L. Harris, FCCA

Wayne Sutherland, MBA

V. ANDREW WHYTE, MBA
V. Andrew Whyte was appointed to the Board of Directors on July 16, 2002 and sits on the Risk, Audit and Finance Committees. He is the Finance Manager at the Jamaica Producers Group where his responsibilities include treasury management. Mr. Whyte studied Chemical Engineering at the Illinois Institute of Technology and later gained his MBA at the University of Illinois. He currently chairs his Church Board.

CEDRIC STEWART, MSc.
Cedric Stewart was appointed to the Board of Directors on March 13, 2004 as the Representative for JMMB's Employee Share Ownership Plan. Mr. Stewart attained a part of his academic qualifications and training in Canada, where he enrolled in the Professional Financial Planning Course, and the Canadian Securities Course. He earned his Life Insurance (level 1) License at CAIFA and is the holder of an MSc. in Economics and Finance from the University of Kiev, Ukraine.

ARCHIBALD CAMPBELL, FCA, MSc.
Archibald Campbell was re-appointed to Director on September 28, 1998 and appointed as Deputy Chairman on February 17, 2004. Mr. Campbell is Chairman of the Pension Trustees Meeting, Risk, Credit and Finance Audit Sub Committees of the Board of Directors. Currently, Mr. Campbell is a faculty member at his alma mater, lecturing both undergraduate and graduate courses in the Department of Management Studies. He is a graduate of the University of the West Indies where he read for both his B.Sc. Accounting and his M.Sc. Accounting degrees. Mr. Campbell is also a fellow of the Institute of Chartered Accountants and has served as an accounting expert in arbitration.

DONNA K. DUNCAN-SCOTT, CFA, MBA
Mrs. Duncan-Scott became Managing Director of JMMB in 1998 after the passing of Joan Duncan. A trained Industrial Engineer, she earned her MBA from Richard Ivey School of Business at the University of Western Ontario in Canada. She went on to gain her Certified Financial Analyst (CFA) accreditation in 1999. Donna demitted office of CEO in 2005 and assumed the position of Group Executive Director with special responsibilities for Culture & Leadership Development.

DENNIS HARRIS, FCCA
Dennis Harris was appointed to the Board of Directors on January 18, 2000 and sits on both the HR and Audit and Finance Committees. A certified Accountant, Mr. Harris is currently the Deputy Managing Director of Courts Jamaica Ltd. with specific responsibility for Marketing and Technology, performing varying international financial and management duties. Mr. Harris also serves as a Director on the Board of Courts Jamaica Ltd.

WAYNE SUTHERLAND, MBA
Wayne Sutherland is Managing Director of Jamaica Venture Fund, a company that makes venture capital investments. He was appointed to the JMMB Board in 2002 and he also serves as a director of Caribbean Money Market Brokers Limited and Intercommercial bank Limited. He served as a Director of the Securities Commission from 1993 to 2001. Mr. Sutherland is a graduate of the UWI and the Columbia University Graduate School of Business.

Maximising returns through visionary leadership

Directors' Report

For the year ended March 31, 2008

The Directors are pleased to present their Report for the year ended March 31, 2008. The Report represents the results for Jamaica Money Market Brokers Limited and its subsidiaries (collectively referred to as "the Group") and the Group's interest in its associated companies.

GROUP RESULTS

- Operating Revenue net of interest expense was $3.32 billion (2007: $3.38 billion).
- The Profit before income tax was $1.3 billon (2007: $1.5 billion).
- The Profit attributable to equity holders of the parent after income tax was $1.06 billion (2007: $1.1 billion).
- Shareholders' Equity was $6.7 billion (2007: $7.2 billion).

DIVIDENDS

The Directors recommend that the interim dividends paid on December 14, 2007 and June 27, 2008 be ratified and declared as final and that no further dividend be paid in respect of the year under review.

DIRECTORS

The members of the Board of Directors as at March 31, 2008 were as follows:

Dr. Noel A. Lyon	Chairman and non-Executive
Mr. Archibald A. Campbell	Deputy Chairman and non-Executive
Mr. Keith P. Duncan	Chief Executive Officer
Mrs. Donna Duncan-Scott	Executive Director
Mr. Dennis L. Harris	Non-Executive
Mr. V. Andrew Whyte	Non-Executive
Mr. Wayne Sutherland	Non-Executive
Mr. Richard J. Trotman	Non-Executive
Mr. Hugh Duncan	Non Executive
Dr. Anne Crick	Non-executive
Mr. Cedric Stewart	Staff /ESOP Representative
Miss Carolyn DaCosta	Company Secretary

Mr. Marc S. Harrison, former Company Secretary, tendered his resignation effective March 18th, 2008.

Miss Carolyn DaCosta was appointed to the position of Company Secretary on March 18th 2008.

In accordance with Article 105 of the Company's Articles of Association, the Directors retiring from office by rotation are Messrs. Dr, Noel A. Lyon, Mr. Richard Trotman, Mr. Rodger Braham and Mrs. Donna Duncan-Scott, who being eligible, offer themselves for re-election.

AUDITORS

Messrs. KPMG, the external Auditors, have indicated their willingness to continue in office pursuant to Section 154 of the Companies Act, 2004.

The Directors wish to express their thanks to the management and all team members for the work done during the year, and to the clients for their continued support.

By Order of the Board
Dated this 7th day of July 2008

Carolyn DaCosta
Company Secretary

OUR MANAGEMENT TEAM

EXECUTIVE TEAM LEADERS

Howard Haughton	Chief Risk Officer
Lola Fong-Wright	Group Human Resource Manager
Marguerite Cremin	Group Marketing Manager
Kisha Anderson	Manager, Retail Services & Administration
Carolyn DaCosta	Company Secretary & Group Compliance Manager
Keith Duncan	Group Chief Executive Officer

SENIOR TEAM LEADERS

Michelle Neita
General Manager, JMMB Insurance Brokers Ltd.

Christopher Laidlaw
Credit Risk Manager

Jason Morris
Senior Investment Strategist

Keisha Forbes
Trading Manger

Imani Duncan-Waite
Manager, Group Strategy
Manager, Corporate Solutions

Sasha Mulai
Deployment Manager

Dean Johnson
Senior Systems Analyst

Gladstone Johnson
Financial Controller, JMMB Securities Ltd.

Sheldon Powe	Chief Information Officer
Patricia Sutherland	Executive Director, Business Operations
Cecile Cooper	Culture & Leadership Development Manager
Julian Mair	Group Investment Strategist
Janet Patrick	Acting Financial Controller
Donna Duncan- Scott	Executive Director, Culture & Leadership Development
Paul Gray	Manager, Treasury & Trading

Your goals, our commitment, sharing success together

Densie Robinson
Group Middle Office Manager

Amilca Thame-Rodney
Manager, Project Management Office

Carl Aldridge
Manager, Pension Funds Business Development

Nerene Brown
Operations Manager, Retail Service Delivery

Adrian Stokes
Senior Investment Manager

Kathya Graham
Market Risk Manager

Dianne Bolton
Credit Manager

Dawnel Thompson
Process Development Manager

The Business Environment

MACROECONOMICS BACKDROP

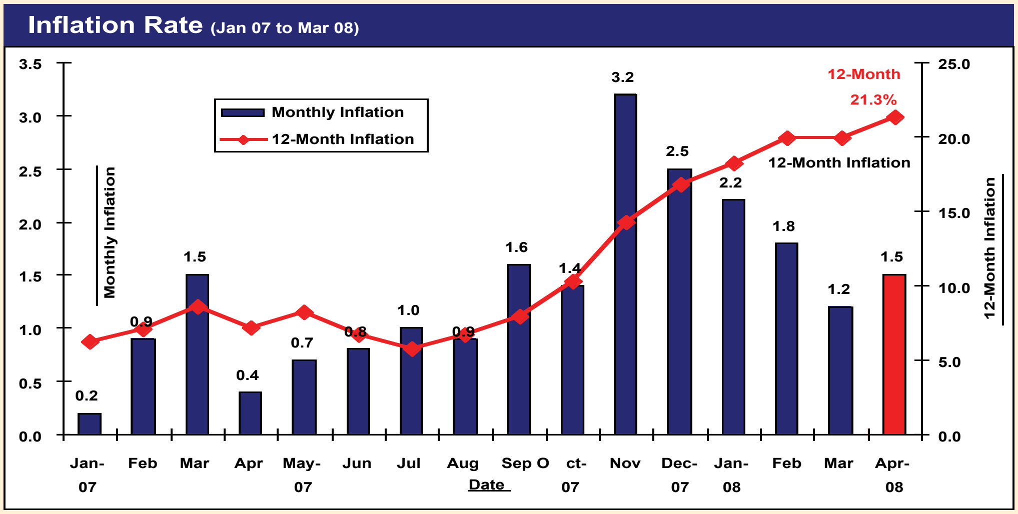
The country's fiscal year 2007/08 (April 1, 2007 to March 31, 2008) was a challenging one for the Jamaican economy. Exogenous factors combined with domestic factors led to higher inflation, periods of currency instability, increased interest rates and continued "anaemic growth" (defined by the IMF as real GDP growth of 1% or below). Several factors had a negative impact on the Jamaican economy, namely: higher commodity prices (oil, wheat) on the global market, the U.S. subprime mortgage crisis and the ensuing global risk aversion, the U.S. economic slowdown, Hurricane Dean, heavy rainfall, and the general elections.

On the positive side, while the currency experienced bouts of instability in the July to September period, overall depreciation was only 4.85% and was relatively stable especially in the latter months of the year which saw off-setting appreciation. Consequently, the Net International Reserves returned to early 2007 levels (in excess of US$2 billion), representing in excess of 15 weeks of goods and services cover. The fiscal deficit target was revised by the new administration from 4.5% to 5.5% but actually came in at 4.75% and was cited as a major positive by international rating agency Standard & Poor's (S&P). The International Monetary Fund (IMF) also had a slightly positive outlook on the economy in its May 2008 Article IV Consultation; this perspective was also supported by S&P, which reaffirmed its B rating on Jamaica with a stable outlook.

Notwithstanding the challenges, both business and consumer confidence remained at roughly the same levels compared to 2007 while bond prices in general, although down because of global risk aversion, remained well supported by domestic purchasers.

INFLATION

Inflation was the major concern in 07/08 and continues to be the major concern going into 08/09 for the Jamaican economy. The Consumer Price Index (CPI) closed fiscal 06/07 in single digits. But, while the 2007 12-month inflation was 8.6%, by the end of fiscal 07/08, the 2008 12-month rate jumped significantly to 19.9%. Increases in global commodity prices, (particularly oil, wheat and corn) due to geo-political factors, speculation by hedge funds and weather-related concerns in the United States were the primary reasons for the increased CPI on the international front. Locally, weather related shocks (Hurricane Dean, and heavy rainfall in November and February), and a 15.6% increase in the minimum wage pushed inflation upwards.



Going forward, the 15% MOU wage increase granted to public sector workers, a possible 40% increase in Cable and Wireless line rentals to businesses and residential customers, a 25% rate increase to route taxi operators and a 28% increase to the National Water Commission should all contribute to rising inflation. Commodity prices increases on the global front seem to have no end in sight while domestically we are officially in the hurricane season.

Past inflation and consumers' expectation of further inflation going forward is becoming a growing concern as wage increases to compensate for past inflation will, in turn, fuel demand pull inflation going forward, consequently trapping the economy in a vicious cycle.

INTEREST RATES HIKE BY THE CENTRAL BANK

The Bank of Jamaica increased interest rates twice during the 07/08 fiscal year. The first rate increase of 100 basis points across the short end of the curve (30-day to 180 day) came on January 9, 2008 and was closely followed by a reopening of the 365-day tenor on January 16th. The second rate increase, averaging 115 b/p across the board, followed on February 4th, 2008.

BOJ Total Interest Rate Increases for the 07/08 Fiscal Year

Tenor	30 day	60-day	90-day	120-day	180-day	365-day
Previous rates	11.65%	11.70%	11.80%	11.85%	12.00%	13.50%
New rate	13.50%	13.70%	13.90%	14%	14.20%	15%
Difference	185 b/p	200 b/p	220 b/p	215 b/p	220 b/p	250 b/p

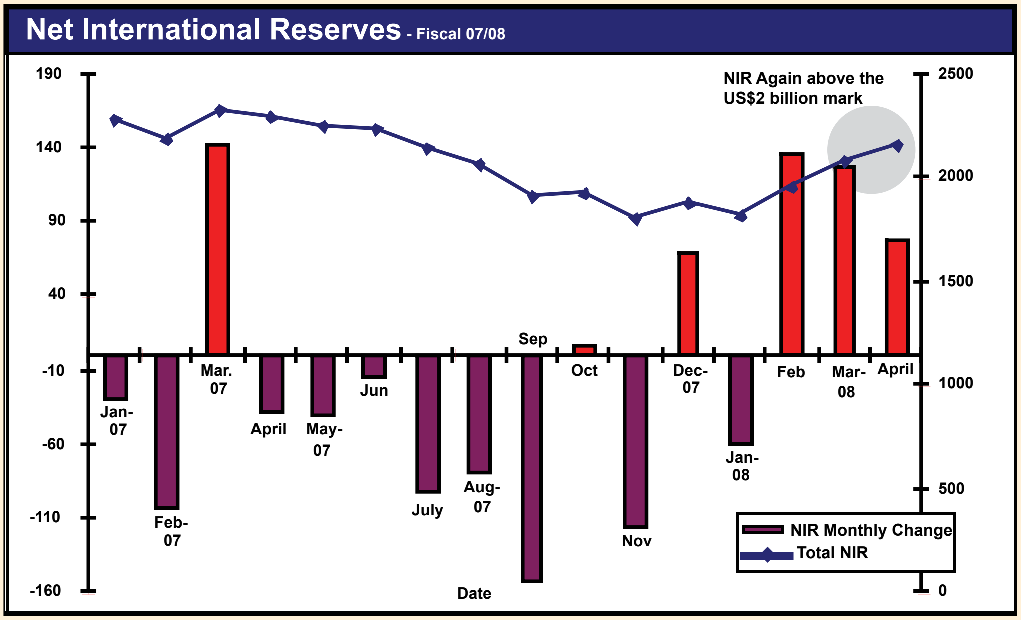
Source: BOJ, JMMBIR

According to the monetary authorities the realignment of interest rates will place the BOJ in a better position to manage the Jamaican dollar liquidity that will emanate from the maturity of both BOJ and GOJ instruments as well as the reflow of currency issued for the Christmas season. The central bank went on to note that the revised rate structure offers investors a range of options that more closely reflect current money market rates. In our opinion the rate increases were executed to make GOJ instruments more competitive because of the high inflation rate (real returns) and to induce speculators to lock in funds for long tenors. The rate increases were successful in calming the money market as currency volatility experienced earlier in the year was basically eliminated as investors took advantage of the higher rates. Without the speculators there was no need for regular BOJ intervention to support the dollar. Consequently the NIR climbed above the J$2 billion mark, improving the sovereign's capacity to address soaring oil prices.

Currency Depreciation/Appreciation after BOJ Rate Increases

End of Period	J$ to 1US$	Monthly Depre.	Point to Point	Monthly % Depre.	12-Month % Depre.
Jan-08	71.74	1.12	4.17	1.59%	6.17%
Feb-08	71.37	-0.37	3.82	-0.52%	5.66%
Mar-08	71.09	-0.28	3.29	-0.39%	4.85%

Source: JMMBIR



CHANGE OF GOVERNMENT & FISCAL PERFORMANCE

General Elections were held on Monday September 3, 2007. The Jamaica Labour Party (JLP) emerged victorious and Mr. Audley Shaw was named Minister of Finance & Public Service.
The new minister's immediate task was to deal with approximately J$15.5 billion being brought onto the books – fiscal numbers that were not accounted for in the original budget presentation in April 2007. This prompted a revision of the fiscal deficit target from the original 4.5% of GDP set by the previous Finance Minister, Dr. Omar Davies, to 5.5% of GDP.

The government, through a raft of measures – delaying expenditure on some projects, transferring resources from the Universal Access Fund and the divestment of PETROJAM shares – was able to achieve a fiscal deficit of 4.7% of GDP.
In his 2008/09 budget presentation, Minister Shaw noted that the government's major targets for the upcoming fiscal year included a deficit target of 4.5% of GDP, real GDP growth of 3%, inflation ranging between 9 and 10 percent and a current account deficit 15.2% of GDP. In terms of a medium term profile, the Medium Term targets are GDP growth of 3%, 3.5% and 3.5% in 08/09, 09/10 and 10/11 respectively; inflation of 9-10%, 7-8% and 6-7% for the three year period. Mr. Shaw stated the government's intention to bring the debt/GDP ratio to below 100% and the fiscal balance to 0% by FY 2010/11.

To achieve the set targets, the Finance Minister's stated plan was to aggressively implement tax reform and offer a tax amnesty to individuals in arrears in order to increase tax compliance. Another goal was to implement a constituency development fund and make Jamaica the financial centre of the Caribbean.

Jamaica 08/09 Fiscal Budget

Item	FY Total	% of GDP	Growth Projection Compared to 07/08
Revenue	306,046.7	32.1%	21.4%
Tax Revenue	265,071.6		20.8%
Non-Tax Revenue	18,229.2		0.0%
Bauxite Levy	8,645.1		73.0%
Capital Revenue	8,569.1		80.6%
Grants	5,531.6		21.9%
Expenditure	349,242.4	36.6%	18.7%
Recurrent Expenditure	304,445.0		20.4%
Programmes	73,781.3		13.7%
Wages	107,020.2		24.1%
Interest	123,643.5		21.5%
Domestic	87,051.3		24.3%
External	36,592.2		15.4%
Capital Expenditure	44,797.4	4.7%	8.2%
Capital Programmes	44,797.4		8.2%
Fiscal Balance (Surplus + / Deficit -)	-43,195.7	-4.5%	
Primary Balance (Surplus + / Deficit -)	80,447.8	8.4%	

Estimated Nominal GDP 953.19 billion

Source: MOF (Data is Provisional), JMMBIR

GDP GROWTH

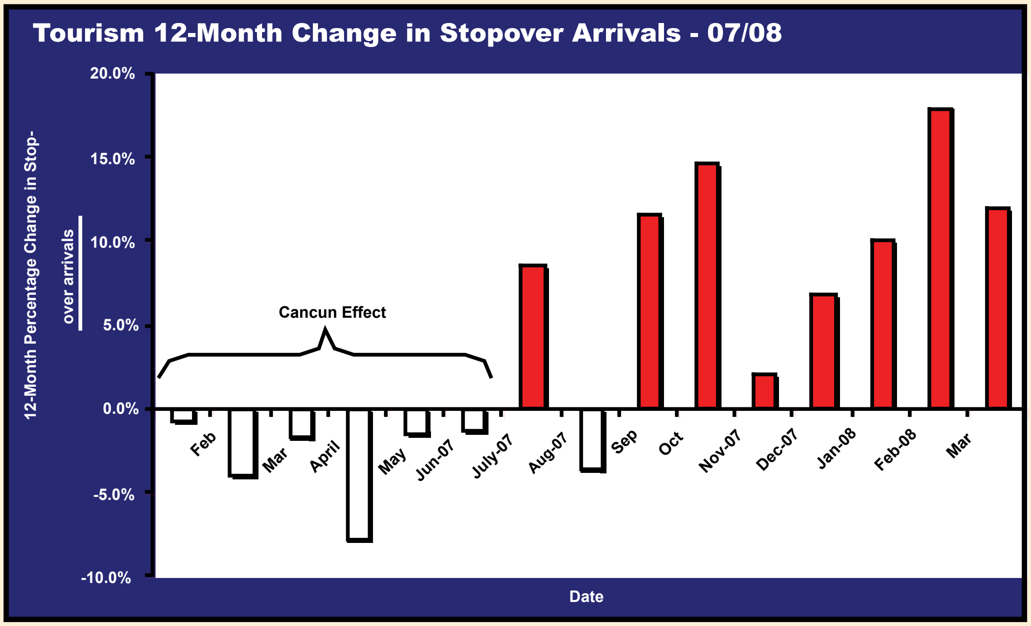
According to PIOJ estimates, real GDP growth returned to anaemic levels, 0.7%, for the 07/08 fiscal year after posting growth of 2.4% in fiscal 06/07. The agriculture sector, down 9.9%, suffered the heaviest damage as a result of Hurricane Dean, heavy rains and higher input costs (fertilizer, grain/feed & fuel). Mining, which was down at -4.3%, also suffered from higher fuel costs, equipment problems at some alumina refineries, structural damage, and downtime again due to adverse weather and maintenance of the conveyor system.

	Fiscal Year 2007/08
Total GDP	0.7
Agriculture, Forestry & Fishing	-9.9
Mining	-4.3
Manufacturing	0.8
Construction	5.1
Electricity & Water	-0.8
Transport, Storage & Communications	0.5
Distribution	2.2
Finance & Insurance Services	3.4
Real Estate & Business Services	2.6
Producers of Government Services	0.5
Miscellaneous Services	2.6
o/w: Hotels, Restaurant & Clubs	2.9

Source:PIOJ, JMMBIR

Construction was the top performer, growing by a projected 5.1%. The sector benefited from increased road construction (Highway 2000 etc.), hotel renovation and construction, port expansion, increased construction activity at the two major airports and reconstruction activities after the impact of Hurricane Dean. The Finance and Insurance services sector rose by 3.4% while the Real Estate and Business Services sector grew by 2.6%. Financial Services benefited from higher fee and commission income due to increased usage of financial services and higher net interest income due to increased loan activities. The Real Estate and Business Services sector continued to benefit from increased demand for housing and associated services.

Miscellaneous Services, which captures most of Tourism, grew by an estimated 2.6%. The sector continued to show its resilience despite the impact of Hurricane Dean. Twelve month stopover arrivals climbed in comparison to last year. Last year the sector was negatively affected by the return of visitors to Cancun (Mexico) which had been devastated by Hurricane Wilma in 2005.



OUTLOOK FOR THE FUTURE

The Jamaican business environment will continue to be affected by the remnants of the U.S. subprime collapse. The housing crisis has triggered a slowdown of the U.S. economy, global risk aversion and a slowdown in global growth. Commodity prices, especially that of oil and wheat, continue to rise, leading to higher domestic inflation which may put pressure on the monetary authorities to hike interest rates further. The sensitivity of domestic debt to higher interest rates is well documented and will likely lead to higher debt servicing cost thereby threatening the fiscal deficit target. The government also faces a risk-averse global market that will demand a premium for emerging market debt when the 2009 global bonds mature in the first quarter.

The government has sought financing from the multilaterals at lower debt servicing rates to ease the fiscal effect of rolling over the 2009 bonds. The outcome of this process will be vital to Jamaica's future outlook. The US-slowdown however, should affect Jamaica's economic growth and fiscal numbers (tax revenue) due to its impact on tourism and remittance inflows. The new fiscal year is therefore set to be a challenging one for the domestic economy.

Despite these challenges, JMMB remains positioned to offer a diversified investment portfolio including uniquely structured products aimed at protecting wealth and helping our clients achieve their financial goals. Our expertise, innovation and genuine care for clients are hallmarks of excellence and we will maintain strong and profitable operations as we continue to help our clients weather the storm. Indeed, in every situation where there is challenge, there is also opportunity.

Management Discussion & Analysis

Forging Ahead

Keith Duncan, CFA
Group CEO

For the financial year ended March 31, 2008 we are pleased to report that the JMMB Group delivered a stable performance with profits of J$1.06 billion. This result was achieved after completing significant investments in the new business lines in Jamaica and creating the platform for a truly expanded business model. Additionally, our Associate Companies saw a performance which rebounded significantly with an increase in profits of 209%. This performance in our 15th year continues to give credence to our geographically diversified business as we actively expand our model within Jamaica and in the region.

Resilient Local Performance

The JMMB Group continued to enjoy strong growth in Assets which increased by 14% from J$89.6 billion to J$102 billion. JMMB Jamaica's retail base made a significant contribution to this performance as it which grew J$5.5b to close the year at J$50b under management, despite active competition. In celebration of our 15th year, as we sought to raise funding for our growth strategies, JMMB Jamaica executed and delivered J$2.5 billion from our successful Preference Share Offer; an oversubscription of over 500%. Indeed, we hold with great responsibility our clients' continued display of loyalty and faith in our ability to provide them with value added investment options.

The JMMB Group continued to enjoy strong growth in Assets which increased by 14% from J$89.6 billion to J$102 billion.

JMMB Jamaica continued on the path to maximizing core income as well as driving additional revenue from business lines. These efforts yielded increases:

• Net interest income up 6% to J$1.535 billion, despite volatility in interest rates in the local market and the fallout from the US sub prime crisis. This turnaround was driven by our Investment Management capability.

• Fees, Commissions and Margins from cambio trading up 35% to J$321million.

These increases offset Gain on Securities Traded that represented a lower percentage of our revenues at 13% or J$1.468 billion; a deliberate strategy to reduce dependence on this revenue line item.

Administrative Expenses

In accordance with our strategic plan 2007-10, we invested significantly to build capacity and expand our business model throughout the financial year. This investment, coupled with an increase in staff costs, resulted in administrative costs rising by 28% to J$2.177billion. The 17% increase in Staff Costs was driven primarily by inflationary adjustments and, secondly, by the additional staff resources required to operate the new business lines.

In addition, Other Recurring and Developmental costs increased by 38%, moving from J$824m to J$1.141b a nominal increase of J$317m. It is important to note that not all of these increases will recur in the future as one-off costs represent some 67% or J$213m of these incremental expenses.

JMMB also recognized an impairment loss of J$140m on a specific financial asset which has now been written off entirely.

Strong Performance from Regional Businesses:

CMMB Trinidad and CMMB Barbados experienced a rebound in profitability by 145% as interest rates stabilized in these countries resulting in a strong recovery in net interest income. The Intercommercial Banking Group also reflected an increase of 30% in before tax profit. The performance of these companies led to the share of profits of associated companies increasing from J$76m to J$235m at the end of 2008 financial year.

During the year we completed acquisition of 80% of a Puesto de Bolsa (local brokerage firm and its license) and JMMB BDI America officially opened in the Dominican Republic in October 2007. This license enables the sale of products to the wider market and with the company now fully operational, we saw a positive contribution to profit in March 2008.

We are confident that this growth in profitability from our regional businesses will be sustained.

Positive Outlook for the Future:
The JMMB Group remains very positive about the outlook for future growth through our commitment to understanding our clients' goals and actively providing solutions to help them achieve their dreams. As we embed our new business lines, as well as maximize the return on our existing core business lines, the team is energized and focused on achieving our 2008/9 goals through:

"Our world class Investment, Trading and Risk management capability will sustain our growth in returns on our investment portfolios."

• Continued Growth in our Retail Asset Management Business
We will deepen our relationships with our existing clients and initiate new ones as we roll out new products and services through an expanded network. This network will increase and optimize client access as well as see the opening of an agency in Savanna-La-Mar, the deployment of 5 new Electronic Transaction Machines (ETMs) and an increase in sales activities with the recruitment of Regional Financial Advisors who will support the activities of the Branch Network by meeting clients in their world.

• Targeted Roll-Out of Sure Advance Plus
Our upgraded credit capabilities now enable us to roll out our suite of credit products to both existing and new retail clients. We intend to make a range of special client offers as well as leverage our sponsorship of the national football team, the Reggae Boyz to increase exposure and awareness of our this new business line.

• Expanded Corporate Solutions to meet Client needs
The expanded suite of products and services being offered by our Corporate Solutions Unit includes cash management, pensions, investment, corporate financing, cambio, commercial loans and insurance products and services for the mid-tier and large corporate client, as well as institutions. The Unit is focused on build-out in Kingston, Montego Bay, Ocho Rios and Mandeville for 2008-9 and to deliver value-added services and products to this client segment in true JMMB fashion.

• Creating products and services across different asset classes to meet client needs
Meeting client needs through the bundling of products and services with the continued integration of Equities and JMMB Insurance Brokers across our Retail and Corporate delivery channels.

• Returns on our Investment Portfolios
Our world-class Investment, Trading and Risk management capability will sustain our growth in returns on our investment portfolios. We continue to actively examine and manage our capital allocation to give the best return on investment to our shareholders.

• Growth in Regional Contribution to Group Profits
CMMB's profit is expected to continue its rebound with stability in the interest rate environment in Trinidad and Tobago, and Barbados. Their focus is now on building out their retail presence as well as expanding into the Eastern Caribbean through a new branch in St. Vincent and Regional Business Development Officers covering the remainder of the Organisation of Eastern Caribbean States (OECS).

The IBL Group is also expected to continue its growth in profitability with the opening of a new branch in the capital city – Port-of-Spain – as well as with the introduction of dedicated Personal Banking Officers who will visit customers and the establishment of a Corporate Investments and Banking Unit.

Having satisfied all regulatory requirements, JMMB BDI America is focused on market penetration of the corporate and High Net Worth (HNW) segments in the Dominican Republic. As pioneers for the development of the secondary market in Jamaica and the Caribbean, JMMB is poised to replicate this success there.

With the critical platforms and capabilities in place, the JMMB Group aims to deliver strong results for the financial year 2008-9, as we continue to position ourselves to achieve our Vision 2025.

"I would like to thank our shareholders and valued clients for their continued confidence in us."

Vision of Love in Action

In all that we do, JMMB is deeply committed to being actively involved in charitable activities that enrich the lives of all Jamaicans. This year presented a special challenge as the JMMB Family tended to one of our own and faced the painful reality of loss. Nana Gittens-Stronge, in her valiant battle against cancer, was supported in an outpouring of love from each and every team member. I wish to take this opportunity to thank our team for believing in and living the Vision of Love as we tended to Nana throughout her illness.

Corporate Social Responsibility:

Again this year, our social responsibility was demonstrated in our activities with the Committee for the Upliftment of the Mentally Ill (CUMI) and a new off shoot which focuses on children. We continued our 21 Days of Christmas and made donations to 21 non-profit organisations throughout the island. Numerous other donations to charitable organisations included the Magnificent Chess Foundation and the SOS Children's Village. In supporting the Reggae Boyz, JMMB showed its commitment to achieving goals especially ones that embody the hopes and dreams of a nation. JMMB will continue this year, especially through the JMMB Foundation to play our role in advancing the lives of individuals and improving communities for a better Jamaica.

JMMB: Putting Clients First

Across the region, JMMB is increasing our range of products and services that are focused on helping clients achieve their goals. The JMMB team is committed to excellence and stands ready to deliver sustainable medium and long-term growth and profitability, thereby increasing shareholder value. Significant investments required for the expansion of business lines have been made and we are already starting to reap results.

With many opportunities ahead, I would like to thank our valued clients and shareholders for their continued confidence in us. Rest assured that we are highly attuned to your needs and will constantly seek to surprise and delight you with superior products and services delivered in true JMMB style.

We are also sincerely appreciative of our Board for their unswerving support and consistent advice as we complete our 15th year as one of the leading financial services company in Jamaica. Finally, I am extremely grateful to our dedicated Leadership Team and our energetic, innovative, and passionate Team Members who embrace our vision and make it a reality. As we embark on the next 15 years, we believe, more than ever, that Vision + Values + Expertise = Phenomenal Success.

JMMB SECURITIES LIMITED

During the latter half of our financial year 2007-2008 the local equities market shed its bearish mode of the previous year to become more buoyant, resulting in an increase of 18.59 % in the JSE Main Index.

In this regard, JMMB Securities once again acted as the lead broker in bringing to the market its parent company's Preference Share Offer which was uniquely structured in three tranches to bring greater value to our clients and the investing public in general. The first phase of the IPO, the dual preference share offer, opened on December 5, 2007 and closed just over a week later, on December 14. The structure of the dual offer was unique in that we offered a special price of $2.95 per share to our customers and $3.00 per share to the rest of the investing public. Our preference share offer was very successful as it was oversubscribed by 500% and is, to date, the largest in Jamaica's financial history. The vast majority – 97% -- of the 3,155 applications were handled by JMMB Securities Limited.

The final tranche is currently open and will run until November 6, 2008 providing a strategic investment opportunity to investors as part of our 15th anniversary celebration. To date, our IPO has raised a total of J$2.6 Billion from the market, marking another first within the Jamaican investment landscape.

In order to remain competitive in the challenging business environment in which we operate, JMMBSL has been reorganizing its internal processes and maximising operational efficiencies by leveraging the group's resources in providing middle and back office support to our operations. These changes are expected to yield future dividends as the efficiencies gained will contribute positively to the company's bottom line. During the year, as we continued to provide our clients with equities solutions, we sought to enhance our Online Equity Facility which allows clients to place orders from any location in the world.

As we look forward to another year, JMMB Securities will, in conjunction with other companies in the JMMB Group and our regional affiliates, remain in the world of our clients and continue to bring new and exciting investment opportunities that ensure its emergence as a leading provider of equity solutions throughout the Caribbean region.

JMMB SECURITIES LIMITED
A MEMBER OF THE JAMAICA STOCK EXCHANGE

JMMB Insurance Brokers Limited

Michelle Neita,
General Manager

JMMB Insurance Brokers Limited started operations in 2004 and, in just a few years, has laid the groundwork for a foothold in the increasingly competitive industry. Our revenue for the 2007/08 financial year increased to almost J$15.6million and we are solidly on the path to achieving profitability. We continue to keenly manage expenses and we are encouraged by our net revenues which reflect our desired growth.

At JMMB IB we have recently broadened our product offering to include Employee Benefits which now complements our full suite of insurance products for both individuals and corporate entities, including:

- Individual Life and Health Insurance
- Employee Benefits
- Motor and Property Insurance
- Liability Insurance

Alliances within the industry have become increasingly important to maximise product offerings as well as bring the best solutions to our clients. To this end we added two significant partnerships in the area of General Insurance thereby bringing the growing number of General Insurance Broker Agreements to six. We have also initiated a new agreement through which we can now offer health insurance to individual clients.

We are confident that our partnerships within the industry will enable us to add further value to our clients…

We are confident that our partnerships within the industry will enable us to add further value to our clients while increasing our level of competitiveness. Indeed, the investment in General Insurance has proven to be strategically valuable as, in a little over a year, it now accounts for 37% of our business.

Looking ahead, for our 2008/09 financial year, our primary focus will be to continue deepening our relations with JMMB's retail clients through a process of referrals, ensuring that insurance is a part of their personal financial plan.

With regard to human resource planning, we plan to increase our sales team during the next financial year, a move designed to take advantage of market opportunities. We feel confident about our ability to meet our goals in the up-coming year through exceptional client care, solid expertise and convenience.

In closing, we would like to thank our various stakeholders – our client for their support, our Team Members for their dedication and hard work and our Board for its strategic vision. We encourage our clients at JMMB to learn more about our offerings and to take advantage of the special facilities available to them as we strive to be in their world with competitive quotes and expert advice.

JMMB INSURANCE BROKERS LTD.

In Your World.....When it matters Most

JMMB BDI America

Guillermo Arancibia
Managing Director

JMMB BDI America Puesto de Bolsa S.A. was officially launched in the Dominican Republic on October 24, 2007. A partnership between JMMB and local shareholders Banco BDI, AmericaCorp and Roberto Jimenez Collie, the securities brokerage firm became a reality after receiving the approval of the DR's local securities commission, Superintendencia de Valores de la República Dominicana.

In order to meet the regulatory capital level required to offer our flagship product in the Dominican market - the Repurchase Agreement, the new entity was capitalized in the first quarter of 2008 and the requisite infrastructure was implemented.

Our primary investment objective was to obtain a balanced portfolio with an excellent risk profile, diversified maturities and high-yielding securities. Going forward, we will continue this strategy since it has proven to be successful in meeting investment objectives and will help us to gain market confidence while supporting our financial goals.

Throughout the financial year, with the support of JMMB Limited and invested funds, we focused on building the investment portfolio. This reached a total of 849.9 million Dominican pesos (DOP), or US$25.1 million, in nominal value of mainly Dominican Republic Government and central bank securities. From an average portfolio of DOP 428.4 million (US$12.6 million), the Net Interest Income reported for the period was DOP 23.5 million (US$690,000) and a capital gain of DOP 13.67 million (US$400,000) was achieved.

We expect to experience significant growth in our business resulting in increased and continuous profitability in 2008/09 and beyond.

Equipped with a multicultural team of eleven professionals with diverse experience spanning fields such as Financial Services, Tourism, Technology, Commercial Businesses,we are geared to have a sound understanding of the financial needs of different industries in the Dominican Republic market thereby ensuring that our products and services remain relevant. A comprehensive training programme, with a strong focus on operational risk controls, was also implemented to accelerate our processes and infrastructure development. In addition to local training, overall operations review and oversight from JMMB Jamaica was included and will continue in the Dominican Republic market so that we are able to replicate the best practices of the last 15 years.

We intend to have our operational processes, validated and synergized with our head office since this will assist in accelerating the implementation of our products and services. Importantly, it will enable us to maintain our corporate standards which are focused on risk control, technology improvements and economies of scale.

The securities market in the DR is in an early stage of development and is experiencing increased levels of competition as brokerage firms break into this arena which was traditionally dominated by the banking sector. With this in mind, our business model and strategy is designed to take advantage of this new dynamic environment.

Going forward, we expect to experience significant growth in our business resulting in increased and continuous profitability in 2008/09 and beyond. This growth will be driven mainly through increasing our investment portfolios and funds under management by aggressively expanding our business relationships with financial institutions and growing our customer base. Additionally, we expect to take advantage of the opportunities in Central America Free Trade Area (CAFTA) region to further enhance our bottom line.

Our local partners in the Dominican Republic have been integral to the development of our franchise here and we thank them for their continued support. It is no exaggeration to say that this support and their intimate knowledge of the market and the financial sector have helped us to establish solid relationships with several financial institutions and clients. We will maintain and enrich our long term alliance by working with our partners on developing new lines of business that bring value to our clients.

Caribbean Money Market Brokers

Robert Mayers, CFA
CEO

The 2007/08 financial year was an important one for CMMB and the dominant theme was 'change'

Appropriately, in the first quarter of our financial year, we invested heavily in technology with the introduction of our new T-24 Core Business Application, in June 2007. The T-24, purchased from a leading Swiss company, Temenos AG, consists of an integrated suite of modules and solutions that work together to cover the core business requirements of CMMB. Initially we were presented with some teething challenges both in its installation and application, however, we customized many of the applications to suit our particular requirements and we are pleased to report that the company is beginning to reap the benefits of efficiency within our operations.

From a personnel perspective, there were a number of changes with the departure of our Chief Executive Officer, Ram Ramesh, as well as a few other executives. We thank our former executives for their contribution over the years and wish them success in their future endeavours. We also take this opportunity to welcome our new CEO, Robert Mayers.

Internationally, the London office was demobilized and arrangements were made to transfer the security held by CMMB Guyana Inc. to CMMB. Unfortunately, our application to establish an office in Bahrain was rejected by that country's central bank because there are no reciprocal anti-money laundering treaties in place between Bahrain and Trinidad and Tobago.

Closer home, we faced a dynamic business environment with notable challenges:

- Rising interest rates in Trinidad and Tobago with 90 day and 180 day T-Bills rising by 30 and 50 basis points respectively over the period coupled with tight liquidity which, inevitably, put a squeeze on our TT spreads.
- Falling interest rates in the United States with the Fed lowering rates by 300 basis points over the period. This not only lowered our US$ funding costs but also lowered our US$ portfolio yields.
- Falling interest rates in Barbados with 90 day T Bill falling by over 100 basis points over the period resulting in lower funding cost and lower yields on new investments
- St. Lucian interest rates rose marginally with the 90 day T Bill rising by 25 basis points however excessive liquidity and few investment options in that market helped to keep the funding cost down over the period.
- Challenges in identifying new and profitable investment opportunities in the markets we serve.

SPREAD INCOME

Notwithstanding these challenges, we are pleased to report that net interest income increased by 112%, from TT$56 million in 2006/07, to TT$119 million in the year under review. Given the rising interest rate scenario in Trinidad and Tobago, this performance was heavily influenced by the declining interest rates in the U.S. which effectively lowered our cost of funds, thereby increasing our spreads.

TRADING INCOME

During our 2006/07 financial year, TT$100 million in trading gains were crystallized from the divestment of high-value Eurobonds in the Available-For-Sale (AFS) portfolio. As a result, our total assets fell by more than TT$1.1 billion and, for the year under review, we eked out gains wherever they could be had, yielding TT$16 million in the process. Year over year, our Total Assets increased from TT$7.5 billion in 2006/07 to TT$8.1 billion in 2007/08.

SHAREHOLDERS' EQUITY

The sub-prime mortgage crisis that began to unfold in the U.S. generated extreme volatility in Emerging Market (EM) bond prices and resulted in investors initiating a flight to quality. This, coupled with the rising interest rate environment in Trinidad, had a severe impact on the fair value reserves of the company. Nevertheless, Shareholders' Equity improved marginally from TT$209 million in 2006/07 to TT$231 million in the 2007/08 financial year. The improved performance was positively impacted by the TnT stock market, which recorded a marginal 6% increase during the period under review after almost three years in the doldrums.

We are pleased to report that net interest income increased by 112%, from TT$56 million in 2006/07, to TT$119 million

CMMB Securities Ltd. (CMMBSL) recorded a loss of TT$2.6 million for 2007/08 financial year as activity on the T&T Stock Exchange continued the steady decline that began in May 2005. The company also had a change at the helm with Brent Salvary taking over the reins as General Manager. Subsequent to the year-end, the Board of CMMBSL agreed to a change of name to CMMB Securities and Asset Management Ltd. (CMMBSAM) and a number of initiatives are on track to be implemented.

GOING FORWARD

With net profit moving from TT$11 million in 2006/07 to TT$35.4 million in 2007/08, CMMB will continue pursuing its current business model of driving profitability through interest rates spread and trading income while seeking to increase fee-based income. The Board of Directors has also given a mandate to widen our customer base and we have already laid the groundwork and formed the necessary committees to bring this new thrust to fruition.

CMMBSAM has already introduced the CMMBTrader on-line trading platform which provides investors access to 18 different international stock exchanges as well as currency and commodities markets. The company will soon be unveiling a new version, CMMBTrader Lite, which will give access exclusively to the U.S. and Canadian markets.

Although relatively new to the pensions arena, CMMBSAM continues to win contracts. The company now manages the investment management business for seven firms, four of which are multinational corporations. CMMBSAM is also in the final stages of developing a series of mutual fund products which are slated to be introduced to the market soon.

These initiatives will form the basis of our strategy of going forward and, as we consolidate our position, we intend to increase our presence and penetration into the markets of the eastern and southern Caribbean as a prelude to further expansion.

CMMB
CARIBBEAN MONEY MARKET BROKERS

Intercommercial Bank Limited

Hugh Duncan, IBL Group CEO

THE INTERCOMMERCIAL BANKING GROUP 2007/ 2008 PERFORMANCE

FINANCIAL PERFORMANCE

In March 2008 Intercommercial Bank Limited (IBL) neared its tenth anniversary. In the decade since opening its first branch in Chaguanas in June 1998, IBL has made significant strides in Trinidad's highly competitive financial services market. Its achievements include expanding the Chaguanas branch and Head Office, opening a second branch in Marabella in 2000 and re-establishing the Trust and Merchant Bank in Port of Spain in 2006.

The IBL Group released its Audited Financials for the year ended March 31st 2008 and is pleased to report that notwithstanding the increasingly competitive environment, which obtains both locally and regionally, the IBL Group achieved a profit before tax of TT$11.4 million, which represents an increase of more than 30% over the previous pro-rated 12-month period.

Coinciding with its tenth anniversary, the Group's total assets crossed the one billion dollar mark - closing at TT$1.1 billion as at March 31st 2008.

NON FINANCIAL ACHEIVEMENTS

FACILITY EXPANSION & TECHNICAL ENHANCEMENTS

Over the past year, IBL has continued to expand and upgrade its Head Office, including in-branch Customer Service lounges and customer parking at both branches, all with the aim of enhancing accommodation and ambience for customers and the Bank's team members.

Coupled with infrastructural and process improvements IBL also continued to upgrade its Information Technology platform and adopted recommended Visa enhancements to keep abreast of market changes. It also installed a new automatic banking machine (ABM) at the head office drive-thru and upgraded the lobby ABMs at Chaguanas and Marabella. Telephone banking was upgraded and re-introduced to enable customers to conduct balance inquiry, track transaction history, transfer funds between accounts amongst other features over the phone.

...the IBL Group achieved a profit before tax of TT$11.4 million, which represents an increase of more than 30% over the previous pro-rated 12-month period.

INSTITUTIONAL STRENGTHENING

To keep abreast of international standards, IBL continues to review and enhance its Compliance and Risk Management framework and architecture, including the review and upgrade of several guiding policies and procedures throughout the Group, to mitigate against adverse economic challenges and risks - thereby ensuring the sustainability of the business into the long term.

On-the-job coaching and training continues to be practiced throughout the organization, including external and overseas training where specific needs have been identified. It is our intention that IBL will continue to grow through its people and their nurtured skill sets.

IBL keeps its organizational structure under review to achieve optimum efficiencies and business goals. It also continues to deepen the Balanced Score Card methodology at the Leadership and Managerial team levels to enhance strategy implementation and the performance management process.

FUTURE PLANS

IBL's current plans include expanding its branch network over the next few months to include a Signature Branch in Trinidad's capital, Port of Spain, by the last quarter of this year. This will be followed almost immediately by the opening of four additional Branches in strategic locations across the country in the subsequent year. As part of the organization's strategic focus it will aggressively seek to expand its retail banking network with greater emphasis on personalized banking services, which will include Home Banking.

Renovations and remodeling of the Marabella branch are also in progress to cater to the growing customer base in South Trinidad. These are scheduled to be completed in July 2008.

IBL will also be extending its Electronic Banking Service to include Acquirer business for Visa products and to become a member of the LINX Network.

IBL continues to assert its Vision to be the most admired organization and employer of choice in every market in which it operates. This will be achieved by continuous learning and development, product innovation and quality service responsive to the needs of our customers, coupled with employee benefit packages to attract and retain quality talent to the organization.

We thank our clients and dedicated team for a successful ten years and we look forward to a future of growth and continued success.

Intercommercial Bank Limited

Corporate Governance

Over the years, in keeping with a strong emphasis on corporate governance, the Board of Directors of Jamaica Money Market Brokers Limited established three (3) Board subcommittees. These are:

- Audit and Finance Committee
- Risk Committee
- Human Resources Committee

With our expansion we have now added the Credit Committee.

Each committee, which makes a quarterly report to the Board of Directors, is governed by a charter that outlines its role and responsibilities. The composition of each committee is below:

Non-Executive Directors	Audit & Finance	Risk	Human Resources	Credit
Archibald A. Campbell	Chairman	Chairman		Chairman
Dennis Harris	x		x	
Anne Crick			Chairman	
Richard J. Trotman		x		
V. Andrew Whyte	x	x		
Wayne Sutherland				x
Noel Lyon				x
Donna Duncan-Scott			x	

AUDIT AND FINANCE COMMITTEE

The mandate of the Audit and Finance Committee is to assist the Board in discharging its duties with respect to internal controls and regulatory requirements. The committee consists of three non–executive directors of which one is appointed by the Board as the Committee's Chairman. The non executive directors, including its Chairman are appointed annually and are eligible for re-appointment. Its primary duties and responsibilities are:

- Recommending the appointment of an independent external auditor and their compensation.
- Examining the scope of audits conducted by external and internal auditors.
- Ensuring appropriate internal audit resources are in place to facilitate adequate internal controls.
- Ensuring the integrity of client and financial accounts.
- Ensuring compliance with regulatory requirements.
- Reviewing and recommending changes to the existing accounting policies and practices.

KPMG is JMMB's external auditor while PriceWaterHouseCoopers (PWC) is the company's internal auditor. During the financial year, they conducted financial, operational, compliance and IT audits on keys areas within the Company. PWC also attends Committee meetings to present and discuss the audit reports and other audit related issues. There were 14 committee meetings held for the year.

CREDIT COMMITTEE

The Credit Committee's main responsibility is to review the performance of the JMMB's credit business lines and develop strategies for meeting the company's return objectives. The committee has the authority to view the books and records of the company required to carry out its duties.

The committee is mandated to carry out the following duties in order to meet its objectives:

- Approve credit management policies and procedures and to review credit policies and procedures at least annually and revise, if necessary,
- Evaluate and approve, if appropriate, requests for loans and advances and renewals of such facilities submitted by the Management Credit Committee and where the aggregate exposure to any one customer or group exceeds J$70M.
- Review the performance and composition of JMMB's loan and advances portfolio by sector, maturity term, large individual exposures or any other measure deemed by the committee as appropriate.
- Review and, if appropriate, approve recommendations from the Credit Committee for the making of specific or general provisions against actual or potential bad debts.
- Consider developments in the local and international financial markets, and use that knowledge to develop tactical strategies for meeting (or surpassing) the company's targets.
- Report to the Board of Directors any significant actions taken by the committee.
- Review the Terms of Reference for the committee periodically and recommend changes to the Board of Directors for approval.

Meetings are held at least once per month.

THE RISK COMMITTEE

The Risk Management Committee assists the Board in its oversight of the company's risk management policies and procedures.

The Committee has the authority to view all books and records of the company and is authorized to have full access to JMMB's facilities and personnel. The committee also draws on the advice of independent counsel and other advisers to assist in carrying out its duties. It is also the responsibility of the Risk Committee to approve risk policies, subject to Board ratification. The committee is responsible for:

- Approving policies for managing the company's market, credit and operational risks, subject to Board ratification.
- Reviewing these policies on an annual basis.
- Monitoring adherence to these policies.
- Reviewing the processes used within the company for identifying, evaluating and monitoring market, credit and operational risks.
- Identifying the company's risk tolerance level.
- Monitoring the company's financial risk exposure.
- Advising the Board of the impact of strategic decisions being contemplated on the risk level of the company.
- Monitoring the company's level of accounting and economic capital.
- Recommending to the Board how the company's capital should be allocated across its business lines.
- Reporting to the Board any significant actions or decisions taken by the committee.
- Reviewing the Terms of Reference periodically, and recommend changes, if any, to the Board for ratification.

The Risk Committee meets at least once per quarter.

THE HUMAN RESOURCES COMMITTEE

The Purpose of the Committee is to assist the Board in discharging its duties with regard to the Company's Human Resource Management, ensuring that the HR activities of the Company are consistent with the policies and directives of the Board and to ensure truth, fairness and compliance with the legal requirements of the country and the company's culture and vision of love.

Specifically, the following are the terms of reference of the Committee:

- Reviewing the HR principles, policies and practices adopted in the management and operation of JMMB and to satisfy itself that the appropriate practices have been adopted.
- To satisfy itself that the practices and policies are sound and valuable, meet all relevant legal requirements and, where applicable, the requirements of external regulators, for both local and overseas operations.
- Assessing culture, satisfaction and other audits and review the interventions that are carried out based on these audits.
- To make recommendations for the conducting of reviews and audits to measure matters relating to the human resource function in the company.
- Assisting in ensuring that interim reviews of the HR function for the Company are carried out on a timely basis.
- Report to the Board on the deliberations of the Committee and to make recommendations to the Board on any relevant changes or actions which the Committee considers prudent.
- Ensuring compliance with approved recommendations made to Management which are not being implemented.
- Deal with any other matters which the Board may refer to the Committee.

The Committee meets at least once per quarter.

JMMB will continue, throughout the coming year to place a strong emphasis on corporate governance.

Risk Management

Overview

In reviewing the year, two events immediately come to mind which have done much to shake investor confidence worldwide: the subprime mortgage crisis in the United States which saw the near collapse of the U.S.-based, international investment and brokerage house, Bear Stearns, as its subprime mortgage hedge fund imploded in 2007 and the January 2008 fraud case at the European financial company, Société Générale, which resulted in a trading loss of 4.9 billion euros.

These developments create a deeper appreciation of Risk Management as the foundation on which strong, successful financial institutions are built. As such, JMMB has continued to invest significant resources to improve its risk management capabilities across all risk categories and specifically in relation to Credit.

Our internal risk management practices are prudent and are supported by effective management and board oversight.

JMMB has continued to enhance its position as a leader in the introduction of cutting edge risk management techniques in the Jamaican financial sector and maintains a leading role in improving the risk management culture in the industry. Our internal risk management practices are prudent and are supported by effective management and board oversight.

While we have continued to build out an integrated risk framework, specific attention has been focussed on the management of Credit Risk to support a new line of financing activities, developed in a manner that is consistent with our strategic plans.

The Risk Management Committee at the board level, which meets on a quarterly basis, provides strategic direction for managing risks which are executed by the Risk Team and the management level complements this by monitoring and establishing exposure limits.

Our presence in the Caribbean provides us with the opportunity to diversify and manage risk in a comprehensive way. And, importantly, we are committed to improving risk management practices throughout the Caribbean.

Risk management has played and will continue to play a crucial role in supporting our strategic goals. At JMMB, we deal with and manage the following risk factors – market risk, liquidity risk, credit risk and operational risk.

MARKET RISK

Market risk is the potential loss in the economic value of the investment portfolio as a result of movements in interest rate, foreign exchange rate and equity prices. JMMB employs the Value at Risk (VaR) methodology to actively measure and monitor its market risk exposure. VaR provides an aggregate risk statistic on potential investment losses based on a defined probability for a specified period of time. The methodology is a well-known statistic technique used to measure market risk and has been widely adopted by major investment firms globally. It is only one of the risk measures utilized at JMMB and its use is complemented by stress tests and scenario analyses which are instrumental to JMMB's investment decision making. Back testing is also conducted regularly to validate the results.

LIQUIDITY RISK

Liquidity risk is defined as the financial risk that arises from the inability of an institution to meet its financial obligations at a reasonable cost and in a timely manner. Liquidity risk may also arise in circumstances where it is difficult to sell assets at a reasonable price in the market. JMMB has developed a liquidity model which is now integrated in the overall risk management strategy. This puts us in the favourable position of being able to manage all risks in a comprehensive manner. Strategies are in place to mitigate any reasonable liquidity crunch that may arise from time to time.

CREDIT RISK

Credit risk is the potential loss of capital that a company may suffer should a counter-party fail to fulfil its actual or implied contractual obligation(s). Specifically, the risk arises through JMMB's investment and financing activities where counterparties have contractual arrangements to repay at a specified period in the future. In mitigating this risk, JMMB has adopted international best practices including those emanating from the Basel standards specifically as they relate to the measurement, monitoring and management of credit risk.

As JMMB grows its financing activities, we continue to upgrade our credit infrastructure through the adoption of state of the art systems as well as increasing our staff complement with competent credit professionals. The net result is that the company is able to facilitate the application of advanced quantitative techniques to the appraisal and pricing of loans congruent with the management of the loan portfolio. This provides the basis for which JMMB can ensure that its facilities are priced in a manner that is reflective of the risks and thus fair to our clients whilst drawing on all information available at a given point in time to make prudent decisions.

OPERATIONAL RISK

Operational risks occur when there is a loss as a result of inadequate or failed internal processes, people and systems or from external events. To manage this risk, the Board has implemented adequate controls in operating processes and systems such as authority limits, segregation of duties and performance standards. Regular audits, conducted by JMMB's internal auditors and PricewaterhouseCoopers, are reviewed quarterly by the Board's Audit Sub-committee. JMMB's Compliance Unit also oversees the company's day-to-day operations.

STRATEGIC CAPITAL ALLOCATION

JMMB's strategic capital allocation is informed by the various risks to which the company is exposed. The Risk Adjusted Return on Capital (RAROC) provides basis for appropriate investment decisions and we have developed the tools necessary to safeguard shareholders' capital to the benefit of all stakeholders in a prudent and efficient manner. These measures will boost the company's profitability in a sustained manner over the medium to long-term.

CONTINUOUS BENCHMARKING

In keeping with our proactive approach to managing risk, we keep abreast of new global developments such as BASLE II and other major regulatory changes that affect both international and domestic markets.

JMMB is committed to continuously benchmarking its risk management practices against international standards and, as well as developing the expertise, has established the infrastructure to facilitate our strategic growth and regional expansion thrust in support of the Vision 2025.

CORPORATE SOCIAL RESPONSIBILITY

Enshrined in the corporate vision of JMMB is the steadfast belief that all people can reach their true potential, and thanks to the Vision of Love started by our late founder Joan Duncan, JMMB is mindful of the importance of having a positive impact on individuals and communities.

Our Founder, Joan Duncan, believed in possibilities, and that expanding your potential will benefit the organization and the society.

JMMB's ongoing commitment to corporate social responsibility is largely achieved through providing support to many worthy causes that are aligned to the company values and we anticipate that our corporate and civic responsibilities will be enhanced in the coming years through the Joan Duncan Foundation. Some of our major projects for the financial year are detailed below.

Committee for the Upliftment of the Mentally Ill's (CUMI)
Almost from inception JMMB was the main contributor to CUMI. Joan Duncan, was one of the early visionaries who supported the work of the CUMI Board, on which her sister Elizabeth Hall sat. Her sister recruited Joy Crooks to take on an unglamourous task in a fashionable place: that of taking care of mentally homeless people in Montego Bay. Today, it is an influential voice in the country and its mission of advocacy is directly aligned to the core value of building of a vision-led and values-based society. Today, 15 years later, JMMB, through our Montego Bay branch, is still actively involved in CUMI through participating in monthly board meetings and making donations. Funding to support CUMI's administrative expenses was valued at J$2.5 for the reporting year. This includes maintenance of the website at www.cumimobay.org.

CUMI Children was the brainchild of Elizabeth Hall and Joan Duncan as they were strong advocates for CUMI to expand its outreach to encircle the psychological and psychiatric care for children. .

CUMI children also undertake a summer work experience programme at JMMB Montego Bay, an experience that is anticipated the whole year by the children. CUMI highly values this programme, as the interaction with staff has been shown to enrich their lives. The over eleven year old CUMI Children's programme that is solely funded by JMMB, expanded this year beyond its original scope, and now includes 12 children with learning disabilities at the Coranaldi Primary School in St. James. The value of the JMMB support of those programmes was $4.5M.

Jamaicans For Justice (JFJ)
JMMB's vision in its greatest breadth can only prosper in a society that values personal liberty and responsibility and this is best guaranteed in a democratic environment. Support of the country's political process is a target of the company's corporate social responsibility. JFJ is an advocate of good governance and for more than a decade has maintained a good track record in this area. The period between 2007 and 2008 was especially active for JFJ as they undertook political observation and other civic activities during the general elections. JMMB supported JFJ's administrative needs to the value of $2.4M.

...we anticipate that our corporate and civic responsibilities will be enhanced in the coming years through the Joan Duncan Foundation.

21 Days of Christmas
This year, in celebration of our clients and our strong belief in our people, JMMB again decided to give back to our country through a donation of $2.1M divided amongst 21 worthwhile charities across the island.

Each of our branches, in consultation with their clients selected charities island wide and they were presented with their donations of $100,000 each over the 21 days leading up to Christmas. Beneficiaries included: Jamaica Aids Support- Project Smiles, Caribbean Christian Center for the Deaf, Mustard Seed Community, Spanish Town Hospital-AIDS Hospice for Children (Dare to Care), Parry Town Basic School in St. Ann, May Pen Hospital, West Haven Children's Home in St. James, Mount Olivet Boys Home in Manchester, Jamaica Red Cross- Santa Cruz Chapter, YWCA- Kingston Chapter and the S.T.E.P Center in Kingston.

Supporting Jamaica's Drive for Excellence in Sports
In recognition of the tremendous power of sport to unite the nation JMMB is committed to supporting the development of sporting talent in Jamaica. In addition to uniting our people, participation in sport allows our youth to build critical self-esteem and learn the values of team spirit. We were therefore pleased to be major sponsors of the Douglas Forrest Invitational Meet, the JAAA Meet and, close to the end of the year, announce our Gold Sponsorship of the Reggae Boyz.

JMMB will continue to lend its support to the field of sports in Jamaica as we encourage our athletes to hold fast to their vision and develop the discipline required to reach their goals.
Committed for the Future
We have formalized our corporate giving efforts through the Joan Duncan Foundation which will see increased levels of activity in the 2008/2009 financial year. The Foundation will formalize all areas of corporate responsibility and allow for the reporting and evaluation of all JMMB's philanthropic activities. Guiding principles for projects to be considered by JMMB will include the project's impact on sustainable development, environmental protection, nation building, democracy and also development of people, leadership and community.
The Joan Duncan Foundation will therefore continue to support its various projects and will also begin supporting programs geared towards:
- The recognition of individual power and the manifestation of that power to the benefit of self and others.
- The building of a vision-led and values-based society.
- Impacting thinking, knowledge, behaviours and practices to support the individuals and communities in realising the vision of the individuals, families and communities.
- Environmental health, protection and sustainable development
- Building a transparent political process
- Leadership development

JMMB considers it an honour each day to play our part amidst other corporate entities in enhancing the lives of individuals and communities and creating a more prosperous and abundant society.

JMMB's Innovative Anniversary Preference Share Offer

At JMMB we are particularly proud of the confidence and trust that has been reposed in us by our various stakeholders: our visionary Board of Directors, our hardworking staff, our valued clients in Jamaica and the Caribbean, the financial markets and the wider Jamaican society. We do not take this goodwill lightly and consider it to the cornerstone of our success.

Perhaps the most tangible manifestation of this goodwill was the overwhelming response to our 15th anniversary preference share offer last year, coming some five years after our highly successful initial public offering in 2002, after which we were listed on the Jamaica Stock Exchange.

The main objective of this uniquely structured offer, which was announced in November 2007, was to increase our capital base, enabling us to continue to build our credit capability as well as providing us with the flexibility to fund our local and regional expansion plans as we seek to take advantage of various Greenfield opportunities. Specifically, we wanted to raise J$420 million from the three-year redeemable offer.

We are cognizant of the importance of building lasting relationships as we seek to be in the world of our clients and, just as we did with our IPO, we decided to reward the loyal 130,000 plus clients. They were offered a 12.25 per cent preference stock priced at $2.95 per share. The other offer, a 12% stock priced at $3.00, was made available to the general investing public.

We have never forgotten our genesis as a small operation determined to bring investment products to the average Jamaican. For this reason, in our desire to involve the small investor in our larger global vision, the minimum share purchase on each offer was set at 10,000 units, representing an investment of $29,500 to $30,000 at the lower end. There was no upper limit on the subscription.

Applications for the dual preference share offer were opened on December 5, 2007 and closed nine days later, on December 14, 2007.

Given the diverse set of challenges facing the country at the time – a general election just two months prior to the announcement of the offer, a hurricane which brushed our shores and the background noise in the financial industry we set a modest target.

Our marketing communications machinery was brought into full gear as we sent postcards to each client advising them of the special offer and we created a set of compelling advertisements that highlighted our growth path, our success, and our unwavering commitment to client intimacy, as the backdrop to this offer.

The response of our clients and the investing public was overwhelming: some 3,155 applications were received, resulting in a 500% oversubscription and raising over J$2.5 billion – more than six times the initial target. The preference share offer was the largest in Jamaica's financial history, significantly outperforming similar offers by a number of Jamaica's largest financial entities during the course of the last two years. This was yet another first for JMMB.

We are truly humbled by the overwhelming display of confidence in us by our clients and the investing public.

Two factors contributed to the tremendous success of the preference share offer. The first was the investing public's confidence and trust in JMMB which we have maintained over the years through our integrity and having their best interests at heart. Secondly, in true JMMB style there was an innovative twist as three discrete offers were made to the market, namely the special client offer, an open market offer and a third tranche to be opened in February 2008 that would run for the entire year.

Some 783,776,000 cumulative redeemable 12.25% preference shares at a fixed price of J$2.95 resulted in an offer capitalization of J$2,312,139,200. In a similar vein, the cumulative redeemable 12% preference shares at a fixed price of J$3.00 gave rise to an offer capitalization of J$212,322,000.

In January this year a significant milestone was achieved when we became the 9th company to list its preference shares on the Jamaica Stock Exchange. The third tranche of our innovative anniversary preference share offer, which opened on February 4, is designed to run throughout our anniversary year and is priced at $3.50 at a return of 12.25%.

At JMMB, we are truly humbled by the overwhelming display of confidence in us by our clients and the investing public. We remain committed to our values and our Vision 2025 which we are convinced will undoubtedly deliver continued success as JMMB strives to be in the world of our clients.

JMMB's Golden Gift to the Reggae Boyz

From our inception JMMB has long been an avid supporter of sport for our team members, recognizing the important role the activity plays in building team camaraderie. Indeed, our team members participate in various inter-company sporting activities as they seek to live our motto of L.I.F.T – Love, Integrity, Fun and Togetherness.

Importantly, as recognized by our Board members, one of the fundamental tenets on which JMMB is founded is the need for individuals and the company to realize the power within and to realize our full potential and dreams. Closely aligned to this is the recognition of our responsibilities to the communities and country in which we live. As such, the company actively lends its support to activities in sport; in the past we have sponsored the Barbican Women's Football Club in the Sherwin Williams/JFF Women's Football Competition.

In keeping with this principle of our social responsibility to the wider community, we threw our support behind Jamaica's national football team, the Reggae Boyz, signing on – in February 2008 – as a Gold Sponsor for three years in the national team's quest to qualify for the 2010, FIFA World Cup Competition, aptly dubbed 'Back To Africa.'

JMMB's sponsorship came at a critical time for the Boyz, just before an important friendly match with Costa Rica. The Jamaica Football Federation, made a public appeal for a sponsor and JMMB answered the call, confirming its financial support as headline sponsor for the match.

The event was a tremendous success for the country and, in particular, our players. Described as a highly competitive match in which Reggae Boyz ably rose to the occasion, Jamaica drew 1-1 with the Central American nation before a full-house at the national stadium on February 6, 2008. It is important to note that as a result of JMMB's title sponsorship which enabled the JFF to stage the event, the football federation was able to post a net profit of over J$12 million.

As proud sponsors, we join with the JFF in appealing to all Jamaicans to come together and fully support the Reggae Boyz on their March to South Africa campaign.

However, our sponsorship of the Reggae Boyz did not just terminate with the symbolic handing over of a cheque: as part of the agreement we gave our commitment to donate $50,000 to the SOS Children Village for every goal scored by the team in the match.

The response to JMMB's support of the national football team was gratifying: one newspaper article lauded our sponsorship as providing a "golden" gift while another proclaimed "glory days are truly here again."

Our partnership with the JFF is truly a natural and complementary one. When JMMB was formed fifteen years ago our vision was to create an organization that would have enormous impact on the local and regional financial sectors while at the same time providing high quality financial services to all our clients. The same can be said of the Reggae Boyz: not only have they become an institution in the country, unifying all Jamaicans but they have also made a tremendous impact in the world of football, raising the image and awareness of Brand Jamaica.

And, as we journey to South Africa, JMMB will endeavour to be in the world of our clients so that they too can support our national team. To this end, through our new suite of credit products, Sure Advance Plus, we will be offering loans to fans who wish to travel to watch the team in South Africa. Naturally, we are standing for the Reggae Boyz, believing in their ability to qualify and holding them accountable as they carry the dreams and hopes of a nation onto the field in each game.

As proud sponsors, we join with the JFF in appealing to all Jamaicans to come together and fully support the Reggae Boyz on their March to South Africa campaign.

JMMB Reggae Boyz
March to SOUTH AFRICA

15th Anniversary Pictorial Review

Celebrating
15 years of excellence
because of you


15
JMMB
1992-2007

Client Intimacy- JMMB...In Your World

For JMMB, we aim to exceed our clients' expectations with each and every interaction thereby boosting the level of value they receive.

JMMB's Vision of Love states that "Love motivates the JMMB team to serve our clients who are a very special part of our family." Starting with that premise, JMMB has identified client intimacy as its key value driver and is focused on becoming the undisputed leader in client care within our hemisphere.

In shaping the entire company as client-centric, we are constantly building on our understanding of our client's desires, concerns, idiosyncrasies and what they value. This means that we approach our relationship with each client as lasting an entire lifetime. The implication is that, at each stage, and for each life goal that our clients aim to achieve, JMMB is right there, providing the right products, services and financial advice to help them meet their objectives and realise their dreams.

It has been said that there is no time out in building your brand. For JMMB, we aim to exceed our client's expectations with each and every interaction thereby boosting the level of value they receive. We are actively designing, sourcing and developing the winning combination of product and service offerings that, from research, we know our clients desire and we are working towards customising those offerings to fit our client's individual needs. We are also developing the right organisational capacity and competencies to serve our targeted market segments.

To safeguard our objective, JMMB has formed a Client Intimacy Group which is chaired by Donna Duncan-Scott, Executive Director, Culture, Leadership and Development and includes team members from various operational areas of the company. This group ensures that, all company initiatives reflect this deep commitment to client intimacy and is also responsible for disseminating the requisite standards throughout the entire organisation and wider group of companies.

We anticipate that all of our treasured clients, will increasingly experience greater value as we strive for a profound understanding of their dreams and provide products and services that demonstrate that we are truly in their world.

Heads of Department

Cedric Stewart	Manager, Retail Business Development
Peter Thompson	Business Development Manager
Ricardo Ebanks	Technical Manager
Garth Davis	Senior Systems Analyst
Junior Graham	Business Support Manager
Kashwayne Bryson	Senior Accountant- Financial Operations

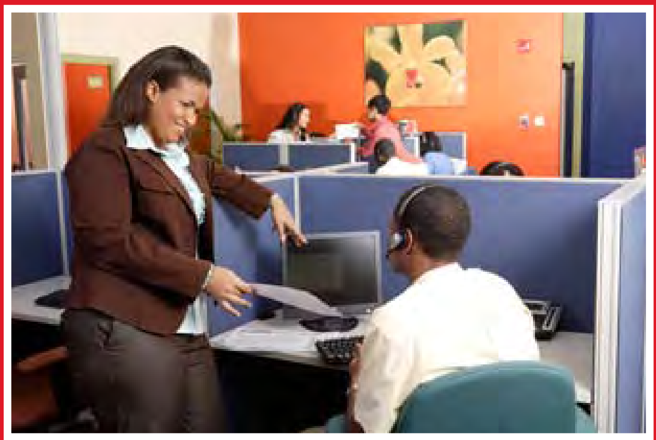
Branch Managers

In Your World… wherever you are

Montego Bay: Lorna Hall (centre) with clients Beverly Gordon and Diyal Fernando at Rosehall Great House

Knutsford Blvd: Fornia Young at Devon House with client Jerico Hanson

Mandeville: Marcia Whittaker with Dr. Jacqueline Dunkley-Thompson at Mandeville Hospital



Client Care Centre: Tanya Wilson and Client Care Team Members

Portmore: Teverly Gray at Hellshire Beach with client Judy Moxam

Haughton Terrace: Rockanne Lee Crawle with client, Artist
Errol Moo-Young at the National Gallery

Ocho Rios: Horace Wildes with client Charmaine Deane at the entrance to Dunn's River Falls

Santa Cruz & May Pen: Jacqueline Mullings at Little Ochi Seafood Restaurant with client and owner Evrol Christian

PPM Centre: Joan Edwards visiting client Douet Lowe at home

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Rockann Lee Crawle, Manager

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Fornia Young, Manager

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Teverly Gray, Manager

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Marcia Whittaker, PhD, Manager

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Lorna Hall, Manager

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Tanya Wilson, Manager

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Joan Edwards, Manager

Corporate Information

CORPORATE INFORMATION

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Kingston, Jamaica

Registrar & Transfer Agent
KPMG Regulatory &
Compliance Services
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Bankers
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Jamaica Limited
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Kingston 5
Jamaica

Myers, Fletcher & Gordon
21 East Street
Kingston, Jamaica

Harrison & Harrison
16 Hope Road
Suite #1
Kingston 5, Jamaica

Internal Auditors
PricewaterhouseCoopers,
Scotiabank Centre,
Corner of Duke and Port Royal
Streets, Kingston, Jamaica

SUBSIDIARY COMPANIES

JMMB Securities Limited
6 Haughton Terrace
Kingston 10, Jamaica
Tel: 876 920 5050
Website: www.jmmbsecurities.com
Email:info@jmmbsecurities.com

Board of Directors
Noel A. Lyon
Archibald A. Campbell
Donna K. Duncan-Scott
Julian Mair
Keith P. Duncan
Patricia Sutherland
Robert Mayers
Carolyn DaCosta, Company Secretary
Pat Salter, Recording Secretary

JMMB Insurance Brokers Limited
(upstairs Knutsford Branch)
11 Knutsford Boulevard
Kingston 5, Jamaica
Website: www.jmmbinsurance.com
Email:info@jmmbinsurance.com

Board of Directors
Noel A. Lyon
Archibald A. Campbell
Donna K. Duncan-Scott
Cecile Cooper
Keith P. Duncan
Michelle Neita, General Manager
Kisha Anderson
Paul Gray
Carolyn DaCosta, Company Secretary
Pat Salter, Recording Secretary

JMMB BDI America
Acropolis Center
Winston Churchill Avenue, 12th Floor
Santo Domingo, Dominican Republic
Tel: 809 566-JMMB (5662)
Fax: 809 620 JMMB (5662)
Website: www.jmmbdominicana.com

Board of Directors
Dr. Noel Lyon
Keith Duncan
Julian Mair
Patricia Sutherland
Donna Duncan-Scott
Jose de Moya – Secretary
Ferrando Baquero – Treasurer
Roberto Jimenez Collie
Guillermo Arrancibia – Country Manager

ASSOCIATED COMPANIES

Caribbean Money Market Brokers Limited (CMMB)
1 Richmond Street
Ground Floor, Furness Court
Independence Square
Port of Spain, Trinidad and Tobago
Tel: (868) 623 7815
Fax: (868) 624 4544

Website: www.mycmmb.com

Unit 01, Gulf City Shopping Plaza
La Romaine
San Fernando
Trinidad and Tobago
Tel: (868) 657 2662
Fax: (868) 653 4871

CMMB St. Lucia (Branch of CMMB Ltd.)
Clico Building, 1st Floor
9 - 11 Brazil Street
Castries , St. Lucia
Tel: (758) 450 7984
Fax: (758) 451 7984

Caribbean Money Market Brokers (Barbados) Ltd.
1 White Park Road
St. Michael, Barbados
Tel: (246) 426 2020
Fax: (246) 426 2058

Units 11 & 12
Hastings Plaza
Hastings
Christ Church
Barbados
Tel: (246) 426 2020

CMMB Securities Limited
1 Richmond Street
Ground Floor, Furness Court
Independence Square
Port of Spain, Trinidad and Tobago
Tel: (868) 623 7815
Fax: (868) 624 4544

Website: www.cmmbsecurities.com

Intercommercial Bank Limited
DSM Plaza
Old Southern Main Road
Chaguanas
Trinidad and Tobago
Tel: (868) 665 4425
Fax: (868) 665 6663

Website: www.ibltt.com

Intercommercial Trust and Merchant Bank Limited
Furness Building
90 Independence Square
Port of Spain, Trinidad and Tobago
Tel: (868) 627 3264/627 5068
(868) 623 0924
Fax: (868) 665 6663

Stockholdings
As at March 31, 2008

10 LARGEST STOCKHOLDERS

CLICO INVESTMENT BANK LTD	450,629,764
TRUSTEES JMMB ESOP	161,776,460
COLONIAL LIFE INSURANCE CO LTD	137,281,664
CONCISE O.N. LTD	64,469,343
CONCISE A.V. LTD	64,469,342
CONCISE E.I. LTD	62,461,633
CONCISE R.I, LTD	62,461,632
JVF O.N. LTD	52,337,543
JVF E.I. LTD	50,707,741
JVF R.I. LTD.	50,707,741
JVF A.V. LTD	50,201,316

STOCKHOLDINGS OF SENIOR MANAGERS

SENIOR MANAGERS	PERSONAL STOCKHOLDINGS
Sheldon Powe	3,944,831 *
Carolyn DaCosta	1,008,700
Kisha Anderson	1,000,000
Marguerite Cremin	908,951 *
Cecile Cooper	908,951 *
Janet Patrick	752,969 *
Paul Gray	641,122 *
Leo Williams	95,900
Julian Mair	NIL
Hugh Duncan	NIL
Patricia Sutherland	NIL

*Includes holdings in the company's Employee Share Ownership plan (ESOP)

STOCKHOLDINGS OF DIRECTORS AND CONNECTED PARTIES

DIRECTORS	PERSONAL STOCKHOLDINGS	CONNECTED PARTY	STOCKHOLDINGS
Noel A. Lyon	NIL	GRACELYN O.E. LTD	47,420,340
		JVF O.E. LTD	48,707,741
		NICOLE LYON	10,000
Donna Duncan-Scott	7,678,110*	ALWYN SCOTT	28,548
		JVF O.N. LTD	52,337,543
		CONCISE O.N. LTD	64,469,343
Archibald Campbell	18,400	ODETTE CAMPBELL	344,827
Keith P. Duncan	2,246,745*	CONCISE E.I. LTD	62,461,633
		JVF E.I. LTD	50,707,741
V. Andrew Whyte	NIL		
Wayne Sutherland	NIL	CONCISE R.I. LTD	62,461,632
		JVF R.I. LTD	50,707,741
Cedric Stewart	122,512*		
Richard Trotman	13,870		
Dennis Harris	NIL		
Dr. Anne Crick	5,000		
Hugh Duncan	4,828		

*Includes holdings in the company's Employee Share Ownership plan (ESOP)

KPMG
Chartered Accountants
The Victoria Mutual Building
6 Duke Street
Kingston
Jamaica, W.I.

P.O. Box 76
Kingston
Jamaica, W.I.
Telephone +1 (876) 922-6640
Fax +1 (876) 922-7198
+1 (876) 922-4500
email: firmmail@kpmg.com.jm

INDEPENDENT AUDITORS' REPORT

To the Members of
JAMAICA MONEY MARKET BROKERS LIMITED

Report on the Financial Statements

We have audited the financial statements of Jamaica Money Market Brokers Limited (the company), set out on pages 55 to 118, which comprise the company and group balance sheets as at March 31, 2008, and the company and group statements of income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the Jamaican Companies Act. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and consistently applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether or not the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

KPMG, a Jamaican Partnership,
is the Jamaican member firm of KPMG
International, a Swiss cooperative.

Raphael E. Gordon
Patrick A. Chin
R. Tarun Handa
Caryl A. Fenton
Patricia O. Dailey-Smith
Cynthia L. Lawrence
Elizabeth A. Jones
Linroy J. Marshall
Rajan Trehan

KPMG

To the Members of
JAMAICA MONEY MARKET BROKERS LIMITED

Report on the Financial Statements, cont'd

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the company and the group as at March 31, 2008, and of the company's and the group's financial performance, changes in equity and cash flows for the year then ended, in accordance with International Financial Reporting Standards and the Jamaican Companies Act.

Report on additional requirements of the Jamaican Companies Act

We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit. In our opinion, proper accounting records have been maintained, and the financial statements are in agreement with the accounting records and returns.

KPMG

June 3, 2008

COMPANY BALANCE SHEET
March 31, 2008

	Notes	2008 ($'000)	2007 ($'000)
ASSETS			
Cash and cash equivalents	4	1,288,258	1,232,828
Interest receivable		1,422,156	1,536,086
Income tax recoverable		1,033,470	1,008,911
Loans and notes receivable	5	2,655,380	2,460,770
Other receivables	6	1,226,169	476,735
Resale agreements	7	14,229,044	4,404,802
Investments	8	63,095,604	74,294,823
Interest in subsidiaries	10	998,765	973,765
Interest in associated companies	11	1,294,778	1,096,139
Deferred tax asset	12	111,746	-
Intangible assets	13	71,857	82,763
Property, plant and equipment	14	866,819	648,239
		88,294,046	88,215,861
EQUITY AND LIABILITIES			
Equity			
Share capital	15	365,847	365,847
Share premium		13,775	13,775
Investment revaluation reserve		(931,279)	191,710
Cumulative translation reserve		266,894	228,511
Retained profits		6,968,821	6,347,733
		6,684,058	7,147,576
Liabilities			
Interest payable		1,080,927	1,192,258
Income tax payable		593,573	377,774
Accounts payable		210,091	197,951
Repurchase agreements	16	74,453,566	76,130,301
Notes payable	17	2,495,729	2,375,897
Loans payable	18	203,540	324,643
Redeemable preference stocks	15	2,572,562	-
Deferred tax liability	12	-	469,461
		81,609,988	81,068,285
		88,294,046	88,215,861

The financial statements on pages 3 to 66 were approved for issue by the Board of Directors on June 3, 2008 and signed on its behalf by:

____________________ Chairman
Noel A. Lyon

____________________ Group Chief Executive Officer
Keith P. Duncan

The accompanying notes form an integral part of the financial statements.

GROUP BALANCE SHEET
March 31, 2008

	Notes	2008 ($'000)	2007 ($'000)
ASSETS			
Cash and cash equivalents	4	1,666,582	1,368,878
Interest receivable		1,687,506	1,550,261
Income tax recoverable		1,040,242	1,012,965
Loans and notes receivable	5	2,907,228	2,593,624
Other receivables	6	1,192,626	337,892
Resale agreements	7	5,487,875	4,116,240
Investments	8	85,570,383	76,362,152
Membership share	9	15,000	15,000
Interest in associated companies	11	1,754,093	1,488,962
Deferred tax asset	12	128,214	25,043
Intangible assets	13	82,617	87,486
Property, plant and equipment	14	883,400	660,454
		102,415,766	89,618,957
EQUITY AND LIABILITIES			
Equity			
Share capital	15	365,847	365,847
Share premium		13,775	13,775
Investment revaluation reserve		(1,134,914)	194,372
Cumulative translation reserve		300,187	234,683
Retained profits		7,099,518	6,358,219
		6,644,413	7,166,896
Minority interest		16,091	2,354
Total equity		6,660,504	7,169,250
Liabilities			
Interest payable		1,106,930	1,192,258
Income tax payable		596,368	377,774
Accounts payable		367,178	223,070
Repurchase agreements	16	88,246,690	77,353,059
Notes payable	17	2,660,923	2,508,751
Loans payable	18	203,504	325,334
Redeemable preference stocks	15	2,572,562	-
Deferred tax liability	12	1,107	469,461
		95,755,262	82,449,707
		102,415,766	89,618,957

The financial statements on pages 3 to 66 were approved for issue by the Board of Directors on June 3, 2008 and signed on its behalf by:

_______________ Chairman
Noel A. Lyon

_______________ Group Chief Executive Officer
Keith P. Duncan

The accompanying notes form an integral part of the financial statements.

COMPANY INCOME STATEMENT
March 31, 2008

	Notes	2008 ($'000)	2007 ($'000)
Net interest income and other operating revenue			
Interest income		8,564,190	8,423,374*
Interest expense		(7,230,534)	(7,031,251)
Net interest income	19	1,333,656	1,392,123
Gains on securities trading, net		1,460,981	1,688,889*
Fees earned from managing funds on behalf of clients		95,909	55,865
Other fees and commissions		55,692	60,255
Foreign exchange margins from cambio trading		117,799	64,830
Operating revenue net of interest expense		3,064,037	3,261,962
Other income/(expenses)			
Dividends		8,982	5,678
Gain/(loss) on disposal of property, plant and equipment		1,732	(70)
		3,074,751	3,267,570
Administrative expenses - staff costs	20	(947,115)	(790,079)
- other		(1,059,094)	(734,091)
		(2,006,209)	(1,524,170)
Impairment loss on financial assets	21	(140,000)	(254,299)
		(2,146,209)	(1,778,469)
Share of profits of associated companies (net of tax)		186,827	69,468*
Profit before income tax	22	1,115,369	1,558,569
Income tax	23	(172,335)	(409,775)*
Profit for the year		943,034	1,148,794

* Reclassified to conform to 2008 presentation.
The accompanying notes form an integral part of the financial statements.

GROUP INCOME STATEMENT
March 31, 2008

	Notes	2008 ($'000)	2007 ($'000)
Net interest income and other operating revenue			
Interest income		9,145,480	8,460,304*
Interest expense		(7,610,267)	(7,009,344)
Net interest income	19	1,535,213	1,450,960
Gains on securities trading, net		1,468,602	1,697,207*
Fees earned from managing funds on behalf of clients		95,909	55,865
Other fees and commissions		107,426	115,621
Foreign exchange margins from cambio trading		117,799	64,830
Operating revenue net of interest expense		3,324,949	3,384,483
Other income/(expenses)			
Dividends		10,651	10,058
Loss on disposal of property, plant and equipment		1,732	(70)
		3,337,332	3,394,471
Administrative expenses - staff costs	20	(1,035,944)	(884,176)
- other		(1,141,452)	(824,553)
		(2,177,396)	(1,708,729)
Impairment loss on financial assets	21	(140,000)	(254,299)
		(2,317,396)	(1,963,028)
Share of profits of associated companies (net of tax)		234,966	76,275*
Profit before income tax	22	1,254,902	1,507,718
Income tax	23	(193,292)	(409,115)*
Profit for the year		1,061,610	1,098,603
Attributable to:			
Equity holders of the parent		1,063,245	1,100,929
Minority interest		(1,635)	(2,326)
Profit for the year		1,061,610	1,098,603
Earnings per stock unit	24	$ 0.73	0.75

* Reclassified to conform to 2008 presentation.

The accompanying notes form an integral part of the financial statements.

Company

	Share capital (note 15) ($'000)	Share premium ($'000)	Investment revaluation reserve ($'000)	Cumulative translation reserve ($'000)	Retained profits ($'000)	Total ($'000)
Balances at March 31, 2006	365,847	13,775	958,143	259,078	5,506,250	7,103,093
Change in fair value of available-for-sale securities, net of taxes	-	-	(766,433)	-	-	(766,433)*
Foreign exchange translation differences	-	-	-	(30,567)	-	(30,567)*
Profit for the year ended March 31, 2007	-	-	-	-	1,148,794	1,148,794*
Dividends paid (see note 25)	-	-	-	-	(307,311)	(307,311)
Balances at March 31, 2007	365,847	13,775	191,710	228,511	6,347,733	7,147,576
Available-for-sale securities:						
Change in fair value, net of taxes	-	-	(1,256,919)	-	-	(1,256,919)*
Transfer to profit and loss on sale	-	-	133,930	-	-	133,930
Foreign exchange translation differences	-	-	-	38,383	-	38,383*
Profit for the year ended March 31, 2008	-	-	-	-	943,034	943,034*
Dividends paid (see note 25)	-	-	-	-	(321,946)	(321,946)
Balances at March 31, 2008	365,847	13,775	(931,279)	266,894	6,968,821	6,684,058

* Total recognised losses $275,502,000 (2007: gains - $351,794,000)
The accompanying notes form an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY
Year ended March 31, 2008

	Share capital (note 15) ($'000)	Share premium ($'000)	Investment revaluation reserve ($'000)	Cumulative translation reserve ($'000)	Retained profits ($'000)	Total attributable to equity holders of the parent ($'000)	Minority interest ($'000)	Total ($'000)
Group								
Balances at March 31, 2006:	365,847	13,775	970,109	279,437	5,564,601	7,193,769	4,680	7,198,449
Change in fair value of available-for-sale securities, net of taxes	-	-	(775,737)	-	-	(775,737)	-	(775,737)*
Profit for the year ended March 31, 2007	-	-	-	-	1,100,929	1,100,929	(2,326)	1,098,603*
Foreign exchange translation differences	-	-	-	(44,754)	-	(44,754)	-	(44,754)*
Dividends paid (see note 25)	-	-	-	-	(307,311)	(307,311)	-	(307,311)
Balances at March 31, 2007	365,847	13,775	194,372	234,683	6,358,219	7,166,896	2,354	7,169,250
Available-for-sale securities:								
Change in fair value, net of taxes	-	-	(1,463,216)	-	-	(1,463,216)	-	(1,463,216)*
Transfer to profit and loss on sale	-	-	133,930	-	-	133,930	-	133,930
Profit for the year ended March 31, 2008	-	-	-	-	1,063,245	1,063,245	(1,635)	1,061,610*
Minority interest in acquired subsidiary	-	-	-	-	-	-	15,372	15,372
Foreign exchange translation differences	-	-	-	65,504	-	65,504	-	65,504*
Dividends paid (see note 25)	-	-	-	-	(321,946)	(321,946)	-	(321,946)
Balances at March 31, 2008	365,847	13,775	(1,134,914)	300,187	7,099,518	6,644,413	16,091	6,660,504

* Total recognised losses $336,102,000 (2007: gains $278,112,000)
The accompanying notes form an integral part of the financial statements.

STATEMENT OF COMPANY CASH FLOWS
Year ended March 31, 2008

	Notes	2008 ($'000)	2007 ($'000)
Cash flows from operating activities			
Profit for the year		943,034	1,148,794
Adjustments for:			
Amortisation	13	30,681	39,563
Depreciation	14	81,081	74,835
Share of profits retained in associated companies		(186,827)	(69,468)*
Loss on disposal of property, plant and equipment		(1,732)	70
Foreign currency translation gain		(195,541)	(3,171,376)
Unrealised gain on trading securities		(36,313)	(44,037)
(Decrease)/increase provision for bad debts		(32,537)	1,231
Interest income		(8,564,190)	(8,423,374)*
Interest expense		7,230,534	7,031,251
Income tax provision	23	172,335	409,775*
Impairment of financial assets		140,000	254,299
		(419,470)	(2,748,437)
Cash flows from operating assets and liabilities:			
Income tax recoverable, net		(49,339)	(240,596)
Loans and notes receivable		(122,931)	(550,300)
Other receivables		(770,190)	(84,993)
Accounts payable		9,880	168,767
Resale agreements		(9,420,301)	5,130,742
Repurchase agreements		(3,589,182)	5,287,390
		(14,361,533)	6,962,573
Interest received		8,969,740	9,056,215
Interest paid		(7,360,134)	(7,101,245)
Net cash (used)/provided in operating activities		(12,751,927)	8,917,543
Cash flows from investing activities			
Decrease/(increase) in investments, net		10,950,821	(9,619,455)
Interest in subsidiaries		(25,000)	(526,916)
Additions to computer software	13	(19,775)	(35,532)
Purchase of property, plant and equipment	14	(300,703)	(147,635)
Proceeds of disposal of property, plant and equipment		2,774	9,471
Net cash provided/(used) in investing activities		10,608,117	(10,320,067)
Cash flows from financing activities			
Preference shares		2,572,562	-
Notes payable		-	414,497
Loans payable		(134,201)	109,646
Dividends paid	25	(321,946)	(307,311)
Net cash generated from financing activities		2,116,415	216,832
Net decrease in cash and cash equivalents		(27,395)	(1,185,692)
Cash and cash equivalents at beginning of year		1,232,828	847,082
Effect of exchange rate fluctuations on cash and cash equivalents		82,825	1,571,438
Cash and cash equivalents at end of year	4	1,288,258	1,232,828

* Reclassified to conform to 2008 presentation.
The accompanying notes form an integral part of the financial statements.

STATEMENT OF GROUP CASH FLOWS
Year ended March 31, 2008

	Notes	2008 ($'000)	2007 ($'000)
Cash flows from operating activities			
Profit for the year		1,061,610	1,098,603
Adjustments for:			
Amortisation	13	31,266	43,986
Depreciation	14	93,638	76,398
Share of profits retained in associated companies		(234,966)	(76,275)*
(Gain)/loss on disposal of property, plant and equipment		(1,732)	70
Foreign currency translation gain		(229,412)	(3,171,419)
Unrealised gain on trading securities		(36,313)	(88,461)
(Decrease)/increase in provision for bad debts		(32,528)	1,231
Interest income		(9,145,480)	(8,460,304)*
Interest expense		7,610,267	7,009,344
Income tax expense	23	193,292	409,115*
Impairment of financial assets		140,000	254,299
		(550,358)	(2,903,413)
Cash flows from operating assets and liabilities:			
Income tax recoverable, net		(52,057)	(243,468)
Notes receivable		(232,528)	(703,141)
Other receivables		(872,211)	(19,693)
Accounts payable		143,714	175,880
Resale agreements		(967,694)	5,419,304
Repurchase agreements		8,407,506	6,510,108
		5,876,372	8,235,577
Interest received		9,328,314	9,085,286
Interest paid		(7,715,321)	(7,079,338)
Net cash generated from operating activities		7,489,365	10,241,525
Cash flows from investing activities			
Increase in investments, net		(9,083,171)	(11,487,871)
Additions to computer software	13	(26,397)	(36,771)
Purchase of property, plant and equipment	14	(318,222)	(157,981)
Proceeds of disposal of property, plant and equipment		3,370	11,511
Net cash used in investing activities		(9,424,420)	(11,671,112)
Cash flows from financing activities			
Preference shares		2,572,562	-
Notes payable		25,025	547,338
Loan payable		(134,931)	110,324
Dividends paid	25	(321,946)	(307,311)
Net cash generated from financing activities		2,140,710	350,351
Net increase/(decrease) in cash and cash equivalents		205,655	(1,079,236)
Cash and cash equivalents at beginning of year		1,368,878	876,674
Effect of exchange rate fluctuations on cash and cash equivalents		92,048	1,571,440
Cash and cash equivalents at end of year	4	1,666,582	1,368,878

* Reclassified to conform to 2008 presentation.
The accompanying notes form an integral part of the financial statements.

1. Identification

Jamaica Money Market Brokers Limited (the "company") is incorporated and domiciled in Jamaica. The registered office of the company is located at 6 Haughton Terrace, Kingston 10, Jamaica. It has two subsidiaries incorporated in Jamaica, and there are other subsidiaries incorporated outside of Jamaica. The operating subsidiaries are listed below. The company and its subsidiaries are collectively referred to as "group"; the group has interests in four associated companies, as detailed below.

The company is exempt from the provisions of the Money Lending Act.

The principal activities of the company are securities brokering, dealing in money market instruments, operating a foreign exchange cambio and managing funds on behalf of clients. Information on the subsidiaries and the associated companies is set out below:

Name of subsidiary or associated company	% Shareholding held by		Country of incorporation	Principal activities
	Parent	Subsidiary		
JMMB Securities Limited	95		Jamaica	Stock brokering
JMMB Insurance Brokers Limited	100		Jamaica	Insurance brokering
Jamaica Money Market Brokers (Trinidad & Tobago) Limited and its associated company,	100		Trinidad and Tobago	Investment holding company
Intercommercial Bank Limited* and its subsidiary, Intercommercial Trust and Merchant Bank Limited		50	Trinidad and Tobago	Commercial and Merchant Banking
JMMB International Limited and its subsidiaries:	100		St. Lucia	Investment holding and management
JMMB Dominicana, SA		100	Dominican Republic	Investment holding and management
JMMB BDI AMERICA Puesto de Bolsa, SA		80	Dominican Republic	Stock brokering
Caribbean Money Market Brokers Limited*	45		Trinidad and Tobago	Brokering, dealing in securities and money market instruments, and managing funds on behalf of clients.
CMMB Securities Limited*	45		Trinidad and Tobago	Stockbrokering
Caribbean Money Market Brokers (Barbados) Limited*	50		Barbados	Brokering, dealing in securities and money market instruments, and managing funds on behalf of clients.

* Associated companies

2. Basis of preparation

(a) Statement of compliance:

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and the relevant provisions of the Jamaican Companies Act ("the Act").

In preparing these financial statements, the group has adopted the following standards and interpretations, which became effective during the year:

- *IFRS 7 Financial Instruments: Disclosures and the Amendments to IAS 1 Presentation of Financial Statements: Capital Disclosures* require disclosures about the significance of financial instruments for an entity's financial position and performance, and qualitative and quantitative disclosures on the nature and extent of risks. The additional disclosures with respect to the group's financial instruments are shown at note 28.

- *IFRIC 7 Applying the Restatement Approach under* IAS 29 *Financial Reporting in Hyperinflationary Economies* addresses the application of IAS 29 when an economy first becomes hyperinflationary and, in particular, the accounting for deferred tax. IFRIC 7 has no impact on the group's financial statements.

- *IFRIC 8 Scope of IFRS 2 Shared-based Payment* addresses the accounting for share-based payment transactions in which some or all goods or services received cannot be specially identified. IFRIC 8 has no impact on the group's financial statements.

- *IFRIC 9 Reassessment of Embedded Derivatives* requires that a reassessment of whether an embedded derivative should be separated from the underlying host contract should be made only when there are changes to the contract. IFRIC 9 has no impact on the group's financial statements.

- *IFRIC 10 Interim Financial Reporting and Impairment* prohibits the reversal of an impairment loss recognised in a previous interim period in respect of goodwill, an investment, an equity instrument or a financial asset carried at cost. IFRIC 10 has no impact on the group's financial statements.

- *IFRIC 11 – IFRS 2 – Group and Treasury Share Transactions* addresses the classification of a share-based payment transaction (as equity or cash-settled) in the financial statements of the entity whose employees are entitled to the share-based payment, where equity instruments of the parent or another company are transferred in settlement of the obligation. IFRIC 11 has no impact on the group's financial statements.

New and revised standards and interpretations that are not yet effective:

At the date of authorisation of the financial statements, there were certain new standards, amendments to standards, and interpretations which were in issue but were not yet effective, and have therefore not been applied in preparing these financial statements:

2. Basis of preparation (cont'd)

(a) Statement of compliance (cont'd):

New and revised IFRS and interpretations that are not yet effective (cont'd):

These are as follows:

- *IFRS 8 Operating Segments* requires segment disclosure based on the components of the group that management monitors in making decisions about operating matters, as well as qualitative disclosures on segments. Segments will be reportable based on threshold tests related to revenues, results and assets. IFRS 8, which is effective for annual reporting periods beginning on or after January 1, 2009, is not expected to have any impact on the group's financial statements.

- *IFRIC 12 Service Concession Arrangements* addresses the accounting requirements for public-to-private service concession arrangements in private sector entities. IFRIC 12 becomes effective for annual reporting periods beginning on or after January 1, 2008 and will not have any impact on the group's financial statements.

- *IFRIC 13 Accounting for Customer Loyalty Programmes,* creates consistency in accounting for customer loyalty plans. The interpretation is applicable to all entities that grant awards as part of a sales transaction (including awards that can be redeemed for goods or services not supplied by the entity). IFRIC 13 becomes effective for annual reporting periods beginning on or after July 1, 2008 and will not have any impact on the group's financial statements.

- *IFRIC 14, IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction* provides guidance on assessing the limit set in IAS 19 on the amount of the surplus that can be recognised as an asset. It also explains how the pension asset or liability may be affected by a statutory or contractual minimum funding requirement. IFRIC 14 becomes effective for annual reporting periods beginning on or after January 1, 2008 and will not have any impact on the group's financial statements.

- *IAS 1 (Revised) Presentation of Financial Statements,* requires the presentation of all non-owners' changes in equity in one or two statements: either in a single statement of comprehensive income, or in an income statement and in a statement of comprehensive income. IAS 1 (revised) becomes effective for annual reporting periods beginning on or after January 1, 2009. The group is considering what impact, if any, the revision will have on its financial statements.

- *IAS 23(Revised) - Borrowing Costs* removes the option of either capitalising borrowing costs relating to qualifying assets or expensing the borrowing costs, and requires management to capitalise borrowing costs attributable to qualifying assets. Qualifying assets are assets that take a substantial time to get ready for their intended use or sale. IAS 23 becomes effective for annual reporting periods beginning on or after January 1, 2009 and will not have any significant impact on the group's financial statements.

2. Basis of preparation (cont'd)

(a) Statement of compliance (cont'd):

New and revised IFRS and interpretations that are not yet effective (cont'd):

- *Amendments to IFRS 2 Share-based payment – Vesting Conditions and Cancellations* is effective for annual periods beginning on or after January 1, 2009. Under the amendment, non-vesting conditions are taken into account in measuring the grant date fair value of the share-based payment and there is no true-up for differences between expected and actual outcomes. This amendment will not have any impact on the group's financial statements.

- *Revised IFRS 3 Business Combinations* and *amended IAS 27 Consolidated and Separate Financial Statements* are effective for annual periods beginning on or after July 1, 2009. The definition of a business combination has been revised and focuses on control. All items of consideration transferred by the acquirer are measured and recognised at fair value as of the acquisition date, including contingent consideration. An acquirer can elect to measure non-controlling interest at fair value at the acquisition date or on a transaction by transaction basis. New disclosure requirements have been introduced. The revisions are not expected to have any significant impact on the group's financial statements.

- Amendments to *IAS 32 Financial Instruments: Presentation and IAS 1, Presentation of Financial Statements* is effective for annual periods beginning on or after January 1, 2009. The amendments allow certain instruments that would normally be classified as liabilities to be classified as equity if certain conditions are met. Where such instruments are reclassified, the entity is required to disclose the amount, the timing and the reason for the reclassification. The revisions are not expected to have any significant impact on the group's financial statements.

(b) Basis of measurement:

The financial statements are presented on the historical cost basis, except for investments classified as fair value through profit or loss and available-for-sale, which are carried at fair value.

(c) Functional and presentation currency:

The financial statements are presented in Jamaica dollars ($), which is the functional currency of the company, and are stated in thousands, unless otherwise indicated. The financial statements of other entities included in the consolidated financial statements that have different functional currencies are translated in the manner set out in note 3(e).

2. Basis of preparation (cont'd)

(d) Use of estimates and judgements:

The preparation of the financial statements in conformity with IFRS and the Act requires management to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of, and disclosures related to, assets, liabilities, contingent assets and contingent liabilities at the balance sheet date and the income and expenses for the year then ended. Actual amounts could differ from these estimates. The estimates and associated assumptions are based on historical experience and/or various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, the areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on amounts recognised in the financial statements, or which have a risk of material adjustment in the next year, are as follows:

(i) Key sources of estimation uncertainty

- Allowance for losses

  In determining amounts recorded for allowance for losses in the financial statements, management makes judgements regarding indicators of impairment, that is, whether there are indicators that suggest there may be a measurable decrease in the estimated future cash flows from investments, notes receivable and other financial assets, for example, repayment default and adverse economic conditions. Management also makes estimates of the likely estimated future cash flows from impaired financial assets, including the net realisable value of underlying collateral, as well as the timing of such cash flows.

- Fair value of financial instruments

  In the absence of quoted market prices, the fair value of a significant proportion of the group's financial instruments was determined using a generally accepted alternative method. Considerable judgement is required in interpreting market data to arrive at estimates of fair values. Consequently, the estimates arrived at may be significantly different from the actual price of the instrument in an arm's length transaction.

It is possible that outcomes within the next financial year that are different from these assumptions could require a material adjustment to the carrying amounts reflected in the financial statements.

2. Basis of preparation (cont'd)

(d) Use of estimates and judgements (cont'd)

(ii) Critical accounting judgements in applying the group's accounting policies

The group's accounting policies provide scope for assets and liabilities to be designated on inception into different accounting categories in certain circumstances:

- In classifying financial assets or liabilities as "trading", the group has determined that they meet the description of trading assets and liabilities set out in accounting policy 3(b)(ii)(2).
- In designating financial assets or liabilites at fair value through profit or loss, the group has determined that they have met one of the criteria for this designation set out in accounting policy 3(b)(ii)(2).

3. Significant accounting policies

(a) Basis of consolidation:

The consolidated financial statements combine the financial position, results of operations and cash flows of the company and its subsidiaries (note 1), and the group's interest in its associated companies, subject to the eliminations described at 3(a)(iii).

(i) Subsidiaries

Subsidiaries are entities controlled by the company. Control exists when the company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable, or exercisable after conversion of convertible instruments, are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

(ii) Associates

Associates are those entities in which the group has significant influence, but not control, over the financial and operating policies. The consolidated financial statements include the group's share of the total recognised gains and losses of associates on the equity basis, from the date that significant influence commences until the date that significant influence ceases. When the group's share of losses exceeds its interest in an associate, the group's carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the group has incurred legal or constructive obligations or made payments on behalf of an associate.

3. Significant accounting policies (cont'd)

(a) Basis of consolidation (cont'd):

(iii) Transactions eliminated on consolidation

Intra-group balances and any unrealised gains and losses and income and expenses arising from intra-group transactions are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with associates are eliminated to the extent of the group's interest in the entity. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment of the group's interest.

(b) Financial instruments:

(i) General

A financial instrument is any contract that gives rise to a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

For the purposes of the financial statements, financial assets have been determined to include cash and cash equivalents, loans and notes receivable, other receivables, resale agreements and investments. Financial liabilities comprise bank overdraft, accounts payable, repurchase agreements, notes payable, loans payable and redeemable preference shares. Information relating to fair values and financial instrument risks is summarized below.

Financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs, except as described below. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

A financial instrument is recognised if the group becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the group's contractual rights to the cash flows from the financial assets expire or if the group transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Regular way purchases and sales of financial assets are accounted for at trade date, i.e., the date that the group commits itself to purchase or sell the asset. Financial liabilities are derecognised if the group's obligations specified in the contract expire or are discharged or cancelled.

Fair values:

Fair value amounts represent estimates of the arm's length consideration that would be currently agreed between knowledgeable, willing parties who are under no compulsion to act and is best evidenced by a quoted market price, if one exists. Where quoted market prices are not available, the fair values of these instruments have been determined using a generally accepted alternative method. However, considerable judgement is required in interpreting market data to develop estimates of fair value. Accordingly, the estimates presented below are not necessarily indicative of the amounts that the group would receive on realisation of its financial assets or pay to settle its financial liabilities.

3. Significant accounting policies (cont'd)

(b) Financial instruments (cont'd):

(i) General (cont'd)

The following methods and assumptions were used to estimate the fair value of each class of financial instrument for which it is practicable to estimate that value.

Financial instrument	Method
Cash and cash equivalents, loans and notes receivable, other receivables, resale agreements, accounts payable, and repurchase agreements	Considered to approximate their carrying values, due to their short-term nature.
Quoted equities	Quoted market bid prices.
Units in unit trusts	Prices quoted by unit trust managers
Non-Jamaican sovereign bonds and corporate bonds	Estimated using mid-prices published by major overseas brokers.
Government of Jamaica securities and Bank of Jamaica certificates of deposit:	
- Traded overseas	Estimated using mid-prices published by major overseas brokers.
- Other	Estimated by discounting future cash flows using balance sheet date yields of similar instruments.
Interest in money market fund	Considered to be the carrying value because of the short-term nature and variable interest rate.
Notes and loans payable	Considered to be carrying value as the coupon rate approximates the market rate.

3. Significant accounting policies (cont'd)

(b) Financial instruments (cont'd):

(ii) Specific instruments

(1) 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 carried 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.

(2) Investments:

Available-for-sale financial assets

The group's investments in equity securities and certain debt securities are classified as available-for-sale and are carried at fair value except for unquoted equity securities whose fair value cannot be reliably measured, which are carried at cost. Changes therein, other than impairment losses [see note3(h)], and foreign exchange gains and losses on available-for-sale monetary items [see note 3(e)], are recognised directly in equity. When an investment is derecognised, the cumulative gain or loss in equity is transferred to profit or loss.

Investments at fair value through profit or loss

The group carries some investment securities at fair value through profit or loss if they are held for trading or designated as such upon initial recognition. Financial instruments are designated at fair value through profit or loss if the group manages such investments and makes purchase and sale decisions based on their fair value. Upon initial recognition, attributable transaction costs are recognised in profit or loss when incurred. Financial instruments at fair value through profit or loss are measured at fair value, and changes therein are recognised in profit or loss.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments, that are not quoted in an active market, and that the group does not intend to sell immediately or in the near term.

Loans and receivables are measured at amortised cost using the effective interest method, except when the group chooses to designate the loans and receivables at fair value through profit or loss.

3. Significant accounting policies (cont'd)

(b) Financial instruments (cont'd):

(ii) Specific instruments (cont'd)

(3) 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 balance sheet 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 balance sheet 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.

(4) Loans and notes receivable and other receivables:

Loans and notes receivable and other receivables are stated at amortised cost less impairment provisions.

(5) Accounts payable:

Accounts payable are stated at their amortised cost.

(6) Interest-bearing borrowings:

Interest-bearing borrowings [other than repos, which are described in note 3(b)(ii)(3)] are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost, with any difference between cost and redemption being recognised in the income statement over the period of the borrowings on an effective interest basis.

(c) Property, plant and equipment:

Property, plant and equipment are stated 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.

3. Significant accounting policies (cont'd)

(c) Property, plant and equipment (cont'd):

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 the income statement.

Property, plant and equipment, with the exception of freehold land, 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%
Leasehold improvements	The shorter of the estimated useful life and the period of the lease
Motor vehicles	20%
Computer equipment	25%
Other equipment, furniture and fittings	10%

The depreciation method, useful lives and residual values are reassessed at each reporting date.

(d) Intangible assets:

(i) Computer software

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

(ii) Goodwill

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

3. Significant accounting policies (cont'd)

(e) Foreign currency:

(i) Transactions in foreign currencies are translated to the respective functional currencies of the group at the exchange rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at balance sheet date are translated to the functional currency at the foreign exchange rates ruling at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the period. Exchange differences arising on settlement of monetary items or on reporting the group's monetary items at rates different from those at which they were initially recorded during the period, or reported in previous financial statements, are recognised as income or expense in the period in which they arise. Non-monetary assets and liabilities that are denominated in foreign currencies and are carried at historical cost are translated at the foreign exchange rate ruling at the date of the transaction. Non-monetary assets and liabilities that are denominated in foreign currencies and are carried at fair value are translated to the functional currency at the foreign exchange rates ruling at the dates that the fair values were determined. Foreign currency differences arising on translation are recognised in profit or loss, except for differences arising on the translation of available-for-sale equity instruments.

Exchange differences arising on a monetary item that, in substance, forms a part of the company's net investment in a foreign entity is included in equity in these financial statements until the disposal of the net investment, at which time they are recognised as income or expense.

(ii) The assets and liabilities of foreign operations, all of which are "foreign entities", as defined in IFRS, are translated into Jamaica dollars for the purpose of inclusion in these financial statements as follows:

(1) all assets and liabilities at the rate ruling at the balance sheet date;

(2) all income and expense items at the exchange rate ruling at the dates of the transactions;

(3) the resulting exchange differences are included in equity until the disposal of the investment.

(f) 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 company's option, and any dividends are discretionary. Dividends thereon are recognised as distributions within equity. Preference share capital is classified as a 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.

3. Significant accounting policies (cont'd)

(f) Share capital (cont'd):

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.

(g) Taxation:

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

(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 balance sheet date, and any adjustment to income tax payable in respect of previous years.

(ii) Deferred income tax

Deferred income tax is provided using the balance sheet liability method, providing 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 balance sheet 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.

(h) Impairment:

The carrying amounts of the group's assets, except for deferred tax assets, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated at each balance sheet date. 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 the income statement.

When a decline in the fair value of an available-for-sale financial asset has been recognised directly in equity and there is objective evidence that the asset is impaired, the cumulative loss that had been recognised directly in equity is recognised in 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.

3. Significant accounting policies (cont'd)

(h) Impairment (cont'd):

(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.

(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 equity. 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.

(i) Membership share:

Membership share is stated at cost less impairment provisions.

(j) Interest income and expense:

Interest income and expense are 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-bearing instrument and its amount at maturity calculated on an 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.

3. Significant accounting policies (cont'd)

(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 scheme costs included in the group income statement represent contributions to the defined-contribution scheme which the group operates to provide retirement pensions for the group's employees (note 29). Contributions to the scheme, 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 the income statement 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. The group's format for segment reporting is based on geographical segments.

4. Cash and cash equivalents

	Company		Group	
	2008 ($'000)	2007 ($'000)	2008 ($'000)	2007 ($'000)
Cash	984,617	969,754	982,384	1,029,473
Cash equivalents	303,641	263,074	684,198	339,405
	1,288,258	1,232,828	1,666,582	1,368,878

Cash equivalents of the company and group include restricted amount of $6,280,591 (2007: $5,629,464) deposited at an interest rate of 7.50% (2007: 7.50%) under an agreement with a building society which co-ordinates and administers a home ownership assistance programme on behalf of the group for its employees.

5. Loans and notes receivable

	Company		Group	
	2008 ($'000)	2007 ($'000)	2008 ($'000)	2007 ($'000)
J$ promissory notes [0% - 22% (2007: 0% - 14.90%)]	1,921,022	1,369,124	1,921,022	1,369,124
US$ promissory notes and debentures (8.00% - 11.85%) [2007: (4.24% - 10.99%)	738,300	1,081,009	990,148	1,213,863
GBP Promissory notes and debentures (8.00% - 8.25%)	9,260	10,637	9,260	10,637
	2,668,582	2,460,770	2,920,430	2,593,624
Less provisions for doubtful debts	(13,202)	-	(13,202)	-
	2,655,380	2,460,770	2,907,228	2,593,624

Certain notes receivable are pledged as security for certain repurchase agreements (note 16). Notes receivable include an interest-free revolving advance of $216,000,000 (2007: $216,000,000) to the trustees of the group's Employee Share Ownership Plan ("ESOP"), the repayment date for which has not yet been fixed [see also note 6 (a)].

6. Other receivables

	Company		Group	
	2008 ($'000)	2007 ($'000)	2008 ($'000)	2007 ($'000)
Receivables from related parties	348,286	337,008	-	-
Other receivables	127,664	109,212	442,407	307,377
Due from manage fund	690,027	-	690,027	-
Staff loans	82,829	48,803	82,829	48,803
	1,248,806	495,023	1,215,263	356,180
Less provisions for doubtful debts	(22,637)	(18,288)	(22,637)	(18,288)
	1,226,169	476,735	1,192,626	337,892

(a) Other receivables of the company and the group include the balance of $26,495,247 (2007: $30,120,540) on an interest-free loan to the group's ESOP. The date for repayment of the loan has not yet been fixed. The number of shares held by the ESOP at March 31, 2008 was 159,997,274 (2007: 161,696,460).

(b) Other receivables of the group include $8,729,598 (2007: $12,356,291) due to a subsidiary, JMMB Securities Limited, by Jamaica Select Index Fund Ltd.

7. Resale agreements

	Company		Group	
	2008 ($'000)	2007 ($'000)	2008 ($'000)	2007 ($'000)
Denominated in Jamaican dollars	840,921	2,499,097	841,011	2,524,473
Denominated in United States dollars	11,012,857	1,905,705	3,783,922	1,591,767
Denominated in Euro	508,567	-	508,567	-
Denominated in Dominican Republic Pesos	1,512,324	-	-	-
Denominated in Trinidad and Tobago dollar	354,375	-	354,375	-
	14,229,044	4,404,802	5,487,875	4,116,240

Resale agreements include balances with related parties as set out in note 27. All resale agreements mature within twelve months after the balance sheet date.

The securities that the group obtains as collateral under resale agreements may be used as collateral under repurchase agreements. Certain of these securities and interest accrued thereon are pledged as security for repurchase agreements (note 16).

At the balance sheet date, the fair value of the securities obtained and held under resale agreements was $14,748,794,329 (2007: $4,534,494,000) for the company.

8. Investments

	Company		Group	
	2008 ($'000)	2007 ($'000)	2008 ($'000)	2007 ($'000)
Loans and receivables				
Certificates of deposit	7,155,537	12,190,807	7,155,537	12,272,459
Available-for-sale securities				
Government of Jamaica securities:				
Local registered stock	22,287,340	22,158,124	22,287,340	22,158,124
Notes and debentures	9,525,228	9,200,729	9,525,228	9,200,729
Eurobonds	15,495,158	14,827,350	22,061,649	15,829,598
Corporate bonds:				
US Government Agencies	-	2,810,925	15,133,098	2,810,925
Other	4,909,164	6,935,355	4,909,164	7,676,557
Sovereign bonds	776,508	3,543,129	1,399,090	3,706,282
Quoted equities	764,138	236,954	838,404	236,954
Unquoted equities	-	346,825	-	346,825
Units in unit trusts	9,572	11,675	9,572	11,675
Money Market Funds	83,409	77,728	83,409	77,728
	53,850,517	60,148,794	76,246,954	62,055,397
Fair value through profit or loss				
Government of Jamaica securities:				
Local registered stocks	360,646	363,528	360,646	363,528
Notes and debentures	1,440,480	1,382,115	1,440,480	1,382,115
Eurobonds	105,032	331,133	105,032	331,133
Corporate bonds - other	45,057	49,558	45,057	49,558
Sovereign bonds	6,208	5,848	6,208	5,848
Quoted equities	135,765	77,399	214,107	156,473
	2,093,188	2,209,581	2,171,530	2,288,655
	63,099,242	74,549,182	85,574,021	76,616,511
Less: provision for impairment losses	(3,638)	(254,359)	(3,638)	(254,359)
	63,095,604	74,294,823	85,570,383	76,362,152

Provision for impairment

	2008 ($'000)	2007 ($'000)	2008 ($'000)	2007 ($'000)
Balance at April 1	254,359	-	254,329	-
Charge for the year	140,000	254,359	140,000	254,359
Write-offs	(346,825)	-	(346,825)	-
Recoveries	(43,896)	-	(43,896)	-
Balance at March 31	3,638	254,359	3,638	254,359

8. Investments (cont'd)

Investments mature, from the balance sheet date, as follows:

	Company		Group	
	2008 ($'000)	2007 ($'000)	2008 ($'000)	2007 ($'000)
Government of Jamaica securities:				
Within 3 months	232,487	673,232	232,487	673,232
From 3 months to 1 year	1,885,570	2,414,264	1,885,570	2,414,264
From 1 year to 5 years	19,837,638	17,479,201	26,404,130	17,479,201
Over 5 years	27,257,740	27,696,281	27,257,740	27,696,281
	49,213,435	48,262,978	55,779,927	48,262,978
Certificates of deposit				
Within 3 months	1,674,697	5,226,702	1,674,697	5,226,702
From 3 months to 1 year	4,471,145	6,964,105	4,471,145	7,045,757
From 1 year to 5 years	1,009,695	-	1,009,695	-
	7,155,537	12,190,807	7,155,537	12,272,459
Sovereign bonds and corporate bonds:				
From 3 months to 1 year	-	-	-	-
From 1 year to 5 years	464,606	3,083,532	464,606	3,083,532
Over 5 years	5,272,780	10,261,283	21,106,802	12,167,886
	5,737,386	13,344,815	21,571,408	15,251,418
Other [see (c) below]	989,246	496,223	1,063,511	575,297
	63,095,604	74,294,823	85,570,383	76,362,152

(a) Government of Jamaica securities and certain other bonds are pledged as security for repurchase agreements (note 16) and loan payable [note 18(i)].

(b) Government of Jamaica securities having an aggregate face value of $211 million (2007: $211 million) have been pledged as collateral against possible overdrafts at the Central Bank and against uncleared effects at one of the company's bankers.

(c) "Other" includes quoted equities, units in unit trusts and interest in pooled money market fund for which there are no fixed maturity dates.

(d) During the previous year, certain investments classified as held-to-maturity were sold. As a result, the remaining investments in that category, having at that date a carrying amount of approximately $6.4 billion, were reclassified as available-for-sale and remeasured at fair value. The difference between the carrying amount and the fair value was reflected in the investment revaluation reserve. The held-to-maturity classification may not be used for the two financial years – i.e., year ended March 31, 2008 and year ending March 31, 2009.

9. Membership share

This represents one qualifying share held in the Jamaica Stock Exchange Limited ("JSE"), at cost. The qualifying share entitles JMMB Securities Limited to operate as a broker/dealer and be a member of the Council of the JSE. Under the JSE's constitution, its members are not entitled to dividends from JSE, and are not entitled to its residual assets or the assets of the Compensation Fund, upon a winding up or liquidation, as the assets would be required to be used for development of the securities market in Jamaica.

10. Interest in subsidiaries

	Company	
	2008 ($'000)	2007 ($'000)
JMMB Securities Limited		
Shares, at cost - equity	10,000	10,000
- preference	79,000	69,000
Subordinated loan	8,000	8,000
	97,000	87,000
JMMB Insurance Brokers Limited		
Shares, at cost - equity	65,000	50,000
Jamaica Money Market Brokers (Trinidad & Tobago) Limited		
Shares, at cost - equity	-	- *
Loan	336,765	336,765
JMMB International Limited		
Shares, at cost - equity	500,000	500,000
Total	998,765	973,765

* Actual amount is J$1; it is shown as nil due to rounding to the nearest thousand.

11. Interest in associated companies

	Company		Group	
	2008 ($'000)	2007 ($'000)	2008 ($'000)	2007 ($'000)
Shares, at cost	112,303	112,303	418,095	418,095
Share of post-acquisition profits	1,628,201	1,441,374	1,739,237	1,504,271
Share of investment revaluation reserve	(760,542)	(686,049)	(767,748)	(691,091)
Cumulative translation reserve	314,816	228,511	364,509	257,687
	1,294,778	1,096,139	1,754,093	1,488,962

11. Interest in associated companies (cont'd)

Summary financial information on associated companies:

	Company 2008 ($'000)	Company 2007 ($'000)	Group 2008 ($'000)	Group 2007 ($'000)
Assets	98,693,812	80,234,761	98,705,808	89,432,952
Liabilities	95,230,870	77,830,600	95,241,959	86,238,628
Revenue	46,207,226	6,010,708	27,105,131	6,824,598
Profit	434,190	149,536	481,516	245,321

12. Deferred tax asset/(liability)

(a) Deferred tax assets/(liabilities) are attributable to the following:

	Company 2008 ($'000)	Company 2007 ($'000)	Group 2008 ($'000)	Group 2007 ($'000)
Interest receivable	(448,687)	(478,323)	(451,195)	(480,076)
Investments	211,174	(367,669)	195,184	(382,143)
Property, plant and equipment	(25,254)	(31,086)	(25,946)	(32,189)
Accounts payable	14,204	10,237	14,204	10,395
Interest payable	360,309	397,380	360,309	397,380
Tax value of loss carry-forward	-	-	34,551	42,215
Net deferred tax asset/(liabilities)	111,746	(469,461)	127,107	(444,418)
Comprised of the following:				
Deferred tax asset/(liability) in the company			111,746	(469,461)
Deferred tax asset in subsidiary			16,468	25,043
Deferred tax liability in subsidiary			(1,107)	-
Net deferred tax asset/(liability) of the group			127,107	(444,418)

(b) Movement in temporary differences during the period:

Company

	Balance at 01. 04. 07 ($'000)	Recognised in income [note 23(a)] ($'000)	Recognised in equity ($'000)	Balance at 31. 03. 08 ($'000)
Interest receivable	(478,323)	29,636	-	(448,687)
Investments	(367,669)	41,103	537,740	211,174
Property, plant and equipment	(31,086)	5,832	-	(25,254)
Interest payable	397,380	(37,071)	-	360,309
Accounts payable	10,237	3,967	-	14,204
Net deferred tax asset/(liabilities)	(469,461)	43,467	537,740	111,746

12. Deferred tax asset/(liability) (cont'd)

(b) Movement in temporary differences during the period:

Group

	Balance at 01. 04. 07 ($'000)	Recognised in income [note 23(a)] ($'000)	Recognised in equity ($'000)	Balance at 31. 03 08 ($'000)
Interest receivable	(480,076)	28,881	-	(451,195)
Investments	(382,143)	40,694	536,633	195,184
Property, plant and equipment	(32,189)	6,243	-	(25,946)
Interest payable	397,380	(37,071)	-	360,309
Accounts payable	10,395	3,809	-	14,204
Tax value of loss carry-forward	42,215	(7,664)	-	34,551
Net deferred tax assets/(liabilities)	(444,418)	34,892	536,633	127,107

13. Intangible asset

	Company	Group		
	Computer software ($'000)	Computer software ($'000)	Goodwill ($'000)	Total ($'000)
Cost:				
March 31, 2006	236,222	260,784	-	260,784
Additions	35,532	36,771	-	36,771
March 31, 2007	271,754	297,555	-	297,555
Additions	19,775	20,223	6,174	26,397
March 31, 2008	291,529	317,778	6,174	323,952
Amortisation:				
March 31, 2006	135,855	152,510	-	152,510
Charge for the year	39,563	43,986	-	43,986
Transfer (note 14)	13,573	13,573	-	13,573
March 31, 2007	188,991	210,069	-	210,069
Charge for the year	30,681	31,266	-	31,266
March 31, 2008	219,672	241,335	-	241,335
Net book values:				
March 31, 2008	71,857	76,443	6,174	82,617
March 31, 2007	82,763	87,486	-	87,486
March 31, 2006	100,367	108,274	-	108,274

14. Property, plant and equipment

Company

	Freehold land and buildings ($'000)	Leasehold improvements ($'000)	Motor vehicles ($'000)	Computer equipment ($'000)	Other equipment, furniture and fittings ($'000)	Total ($'000)
Cost:						
March 31, 2006	387,107	51,948	82,066	132,603	149,159	802,883
Additions	84,464	15,351	2,964	28,588	16,268	147,635
Disposals	-	(2,797)	(14,641)	(2,718)	(132)	(20,288)
March 31, 2007	471,571	64,502	70,389	158,473	165,295	930,230
Additions	184,668	2,590	15,958	73,246	24,241	300,703
Disposals	-	-	(19,699)	-	-	(19,699)
March 31, 2008	656,239	67,092	66,648	231,719	189,536	1,211,234
Depreciation:						
March 31, 2006	14,219	21,648	42,400	106,515	46,694	231,476
Charge for the year	5,570	18,640	13,854	20,403	16,368	74,835
Eliminated on disposals	-	-	(10,575)	(172)	-	(10,747)
Transfer (note 13)	-	-	-	(13,573)	-	(13,573)
March 31, 2007	19,789	40,288	45,679	113,173	63,062	281,991
Charge for the year	7,787	13,311	11,386	32,903	15,694	81,081
Eliminated on disposals	-	-	(18,657)	-	-	(18,657)
March 31, 2008	27,576	53,599	38,408	146,076	78,756	344,415
Net book values:						
March 31, 2008	628,663	13,493	28,240	85,643	110,780	866,819
March 31, 2007	451,782	24,214	24,710	45,300	102,233	648,239
March 31, 2006	372,888	30,300	39,666	26,088	102,465	571,407

14. Property, plant and equipment (cont'd)

Group

	Freehold land and buildings ($'000)	Leasehold improvements ($'000)	Motor vehicles ($'000)	Computer equipment ($'000)	Other equipment, furniture and fittings ($'000)	Total ($'000)
Cost:						
March 31, 2006	387,107	51,948	87,900	133,693	151,417	812,065
Additions	84,464	19,745	5,344	30,336	18,092	157,981
Disposals	-	(2,797)	(18,241)	(2,718)	(132)	(23,888)
March 31, 2007	471,571	68,896	75,003	161,311	169,377	946,158
Additions	184,668	12,581	15,958	73,469	31,546	318,222
Disposals	-	-	(21,932)	-	-	(21,932)
March 31, 2008	656,239	81,477	69,029	234,780	200,923	1,242,448
Depreciation						
March 31, 2006	14,219	21,648	44,718	107,399	47,202	235,186
Charge for the year	5,569	18,640	14,881	20,681	16,627	76,398
Eliminated on disposals	-	-	(12,135)	(172)	-	(12,307)
Transfer (note 13)	-	-	-	(13,573)	-	(13,573)
March 31, 2007	19,788	40,288	47,464	114,335	63,829	285,704
Charge for the year	7,787	14,691	12,161	41,942	17,057	93,638
Eliminated on disposals	-	-	(20,294)	-	-	(20,294)
March 31, 2008	27,575	54,979	39,331	156,277	80,886	359,048
Net book values:						
March 31, 2008	628,664	26,498	29,698	78,503	120,037	883,400
March 31, 2007	451,783	28,608	27,539	46,976	105,548	660,454
March 31, 2006	372,888	30,300	43,182	26,294	104,215	576,879

(i) Freehold land and buildings of the company and the group include land at a cost of approximately $268,298,575 (2007: $168,870,128).

(ii) Certain properties of the company and group are pledged as collateral for loans [see note 18(ii)(iii)].

15. Share capital

	2008 000	2007 000
Authorised:		
1,566,400,000 (2007: 1,566,400,000) ordinary stock units of no par value	391,600	391,600
783,776,000 (2007: Nil) 12.25% cumulative redeemable preference shares of no par value	2,312,139	-
70,776,000 (2007: Nil) 12% cumulative redeemable preference shares of no par value	212,298	-
13,750,000 (2007: Nil)12.15% cumulative redeemable preference shares of no par value	48,125	-
	2,964,162	391,600

	2008 $'000	2007 $'000
Stated capital:		
Issued and fully paid:		
1,463,386,752 (2007: 1,463,386,752) ordinary stock units	365,847	365,847
783,776,000 (2007: $Nil) 12.25% cumulative redeemable preference stock units at $2.95 each	2,312,139	-
70,766,000 (2007: $Nil) 12% cumulative redeemable preference stock units at $3.00	212,298	-
13,750,000 (2007: $Nil) 12.15% cumulative redeemable preference stock units at $3.50	48,125	-
	2,938,409	365,847
Less redeemable preference stock units required by IFRS to be accounted for as liabilities in the financial statements	(2,572,562)	-
	365,847	365,847

At the Annual General Meeting of the company held on September 17, 2007, resolutions were passed to increase the authorised share capital by the creation of 1,000,000,000 fixed rate cumulative preference shares. 783,776,000 of the said shares were offered at a price of $2.95, and 70,766,000 at a price of $3.00 per share by a public offering from December 5 to 14, 2007 and fully subscribed. They were subsequently listed on the Jamaica Stock Exchange on January 28, 2008. A further 13,750,000 of the said shares were offered at a price of $3.00 per share to the public by a public offering from February 4, 2008 to November 6, 2008. Shares from each tranche are listed on the Jamaica Stock Exchange periodically soon after issue; those from the third tranche were listed on April 15, 2008.

15. Share capital (cont'd)

The holders of ordinary stock units are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the company. The significant terms and conditions of the preference stock units are (1) the right to a cumulative preferential dividend payable monthly at the rate agreed for each class; (2) the right, on winding up, to receive all arrears of dividend and repayment of capital in priority to the ordinary stockholders; and (3) no right to vote except where dividends are not paid for 12 months or on winding up of the company.

16. Repurchase agreements

	Company		Group	
	2008 ($'000)	2007 ($'000)	2008 ($'000)	2007 ($'000)
Denominated in Jamaica dollars	35,269,630	40,034,667	35,226,052	40,034,667
Denominated in United States dollars	37,026,399	34,525,674	48,459,371	35,748,432
Denominated in Pounds Sterling	1,826,142	1,540,591	1,826,142	1,540,591
Denominated in Euro	182,380	29,369	2,564,697	29,369
Denominated in Dominican Republic Peso	-	-	21,416	-
Denominated in Canadian dollars	149,015	-	149,012	-
	74,453,566	76,130,301	88,246,690	77,353,059

Repurchase agreements are collateralised by certain securities and other instruments held by the company and the group, with a carrying value of $84,177,641,354 (2007: $82,840,914,000) (notes 5, 7 and 8).

Repurchase agreements include balances with related parties as set out in note 26.

17. Notes payable

	Company		Group	
	2008 ($'000)	2007 ($'000)	2008 ($'000)	2007 ($'000)
(i) 8.25% US$12,500,000 promissory note	887,750	878,930	887,750	878,930
(ii) 8.25% US$12,000,000 promissory note	852,240	811,320	852,240	811,320
(iii) 8.25% US$5,500,000 promissory note	390,610	338,050	390,610	338,050
(iv) 9.00% US$5,141,207 promissory note	365,129	347,597	365,129	347,597
(v) 8.75% US$1,965,000 commercial paper	-	-	-	132,854
(vi) 12% TT$14,000,000 commercial paper	-	-	165,194	-
	2,495,729	2,375,897	2,660,923	2,508,751

17. Notes payable (cont'd)

(i) This note is unsecured and the entire amount is repayable on November 19, 2009 (2007: November 19, 2009). Interest is paid semi-annually, and may be varied at the option of the promissee, in consultation with the promissor, provided that the rate does not exceed the Central Bank of Trinidad and Tobago's 90-day Treasury bill rate.

(ii) This note is unsecured and the entire amount is repayable on January 18, 2010 (2007: January 18, 2010). Interest is paid semi-annually and may be varied at the option of the promisee, in consultation with the promisor, provided that the rate does not exceed the Central Bank of Trinidad and Tobago's 90-day Treasury bill rate.

(iii) This note is unsecured and the entire amount is repayable on June 2, 2010 (2007: June 2, 2010). Interest is paid semi-annually and may be varied at the option of the promisee, in consultation with the promisor, provided that the rate does not exceed the Central Bank of Trinidad and Tobago's 90-day Treasury bill rate.

(iv) This note is unsecured and the entire amount is repayable on March 28, 2012. Interest is paid semi-annually. The interest rate was fixed on the issue date at LIBOR plus 365 basis points.

(v) These notes were unsecured and the entire amount was repaid on May 30, 2007. The interest rate on these instruments was fixed at 8.75% per annum.

(vi) This note is unsecured and the entire amount is repayable by October 5, 2009.

18. Loans payable

Loans payable for the company and the group comprise the following:

(i) US$1,408,198 (2007: US$2,348,426) on an instalment loan, the principal of which is repayable in twenty equal quarterly instalments of US$235,000. The loan bears interest at a fixed rate of 6.5% per annum. Certain GOJ securities owned by the company are pledged as collateral for this loan.

(ii) US$1,100,000 revolving line with maximum tenor of 180 days, with monthly interest payments on amounts drawn and principal to be repaid upon maturity. Interest rate is set at US 6-month LIBOR plus 3.5% per annum, subject to quarterly reset. Certain properties owned by the company are pledged as collateral for this loan. This amount was lent to Jamaica Money Market Brokers (Trinidad and Tobago) Limited which on-lent it to the company.

(iii) US$365,925 amortised loan repayable at US$10,058 per month, over five years. This is secured by property owned by the company (note 14).

The amount due within twelve months of the balance sheet date is $75,330,630 (2007: $207,110,070).

19. Net interest income

	Company		Group	
	2008 ($'000)	2007 ($'000)	2008 ($'000)	2007 ($'000)
Interest income				
Cash and cash equivalents	6,626	9,332	6,741	9,589
Loans and notes receivable	979,769	881,792	964,769	881,792
Resale agreements	705,766	215,592	700,566	217,592
Investments securities	6,850,619	7,296,373	7,473,404	7,351,331
Other	21,410	20,285	-	-
Total interest income	8,564,190	8,423,374	9,145,480	8,460,304
Interest expense				
Repurchase agreements	6,954,251	6,853,132	7,333,776	6,802,168
Notes payable	174,075	163,750	174,283	189,130
Loans payable	12,576	14,369	12,576	18,046
Redeemable preference shares	89,632	-	89,632	-
Total interest expense	7,230,534	7,031,251	7,610,267	7,009,344
Net interest income	1,333,656	1,392,123	1,535,213	1,450,960
Total interest income on financial assets not at fair value through profit and loss	6,700,789	7,268,661	7,323,574	7,323,619

Total interest expense is incurred on financial liabilities that are not at fair value through profit or loss.

20. Staff costs

	Company		Group	
	2008 ($'000)	2007 ($'000)	2008 ($'000)	2007 ($'000)
Salaries and benefits, including profit-related pay	775,086	637,428	856,431	695,872
Statutory payroll contributions	66,378	50,635	69,792	54,651
Pension scheme contributions	22,323	17,423	23,771	18,943
Training and development	22,671	15,974	23,118	36,402
Staff welfare	60,657	68,619	62,832	78,308
	947,115	790,079	1,035,944	884,176

21. Impairment loss on financial assets

The impairment charge is for losses on one unquoted equity investment holding, which has been written off (2007: two equity investment holdings, one quoted and the other unquoted).

22. Profit before income tax

The following are among the items charged/(credited) in arriving at profit before income tax:

	Company		Group	
	2008 ($'000)	2007 ($'000)	2008 ($'000)	2007 ($'000)
Depreciation and amortisation	111,762	114,398	124,904	120,384
Directors' emoluments:				
Fees	12,191	10,917	31,396	28,279
Management remuneration	36,480	28,642	41,346	46,758
Auditors' remuneration	7,667	7,750	11,967	10,446
Bad debts, less recoveries	33,753	(798)	33,753	(798)
Net gains on financial assets classified:				
At fair value through profit or loss	60,883	393,535	60,883	393,535
As available - for - sale	1,400,098	1,295,354	1,407,719	1,303,672

23. Income tax

(a) Income tax is based on the profit before taxation as adjusted for tax purposes, and is made up as follows:

	Company		Group	
	2008 ($'000)	2007 ($'000)	2008 ($'000)	2007 ($'000)
(i) Current income tax				
Charge for the year	215,802	377,774	228,184	377,774
(ii) Deferred income tax				
Origination and reversal of temporary differences	(43,467)	32,001	(34,892)	31,341
	172,335	409,775	193,292	409,115

(b) Reconciliation of effective tax rate and charge:

	2008		2007	
	%	($'000)	%	($'000)
Company:				
Profit before income tax		1,115,369		1,558,569
Computed "expected" tax expense	33.33	371,753	33.33	519,523
Tax effect of treating the following items differently for financial statements than for tax reporting purposes:				
Tax-free income	(18.63)	(208,684)	(14.63)	(230,770)
Disallowed expenses	6.24	69,906	8.69	137,033
Effect of lower tax rate on associated company share of profits	(5.13)	(57,254)	(2.68)	(41,897)
Adjustment to prior year estimate of tax losses	-	-	1.44	22,756
Other	(0.30)	(3,394)	0.20	3,130
Actual tax charge	15.51	172,335	26.35	409,775

23. Income tax (cont'd)

(b) Reconciliation of effective tax rate and charge (cont'd):

	2008		2007	
	%	($'000)	%	($'000)
Group:				
Profit before income tax		1,254,902		1,507,718
Computed "expected" tax expense	33.33	418,258	33.33	502,572
Tax effect of treating the following items differently for financial statements than for tax reporting purposes:				
Tax-free income	(21.00)	(260,239)	(17.16)	(261,890)
Disallowed expenses	6.36	78,871	8.90	135,783
Effect of lower tax rate on associated company share of profits	(4.56)	(57,241)	(1.92)	(41,752)
Adjustment to prior year estimate of tax losses			1.49	22,756
Other	1.37	13,643	3.39	51,646
Actual tax charge	15.50	193,292	28.03	409,115

(c) At the balance sheet date, taxation losses, subject to the agreement of the Commissioner of Taxpayer Audit and Assessment, available for set-off against future taxable profits, amounted to approximately $Nil (2007: $ Nil) for the company and $146,358,000 (2007: $127,000,000) for the group.

In his April 2005 budget presentation, the previous Minister of Finance and Planning announced that, instead of indefinitely, the carry forward of taxation losses would be restricted to five years, with effect from January 1, 2006. Up to the date of approval of these financial statements, enabling legislation had not been passed. The amounts disclosed, therefore, do not reflect any change in the current treatment of taxation losses.

24. Earnings per stock unit

Earnings per stock unit ("EPS") is computed by dividing profit attributable to equity holders of the parent of $1,063,245,000 (2007: $1,100,929,000) by the number of stock units in issue during the period, numbering 1,463,386,752 (2007: 1,463,386,752).

25. Dividends

	Company and Group	
	2008 ($'000)	2007 ($'000)
Paid:		
Final in respect of 2007 @ 11.0 cents per stock unit	160,973	-
Interim in respect of 2008 @ 11.0 cents per stock unit	160,973	-
Final in respect of 2006 @ 9.0 cents per stock unit	-	131,705
Interim in respect of 2007 @ 12.0 cents per stock unit	-	175,606
	321,946	307,311

26. Related party balances and transactions

A party is related to the company if:

(a) directly or indirectly, the party:

(i) controls, is controlled by, or is under common control with the company;

(ii) has an interest in the entity that gives it significant influence over the company, or

(iii) has joint control over the company;

(b) the party is an associate of the entity;

(c) the party is a joint venture in which the entity is a venturer

(d) the party is a member of the key management personnel of the company;

(e) the party is a close member of the family of any individual referred to in (a) or (b) above;

(f) the party is an entity that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (b) or (c); or

(g) the party is a post-employment benefit plan for the benefit of employees of the company, or any entity that is a related party of the company.

26. Related party balances and transactions (cont'd)

The balance sheet includes balances, arising in the normal course of business, with related parties, as follows:

	Company		Group	
	2008 ($'000)	2007 ($'000)	2008 ($'000)	2007 ($'000)
Directors				
Notes receivable	47,751	141	47,751	141
Interest payable	(250)	(675)	(250)	(675)
Repurchase agreements	(29,426)	(59,865)	(29,426)	(59,865)
Major shareholders				
Notes receivable	118,651	373,368	118,651	373,368
Repurchase agreements	(7,507)	8,019	(7,507)	8,019
Interest payable	(119)	561	(119)	561
Subsidiaries				
Repurchase transactions	1,739,874	477,806	-	-
Other receivables	257,588	366,654	-	-
Interest payable	156	1,012	-	-
Associated companies				
Resale agreements	46,373	202,830	46,373	202,830
Repurchase agreements	(2,465,380)	-	(2,465,380)	-
Interest receivable	2,036	11,186	2,036	11,186
Interest payable	(104,297)	(49,350)	(104,297)	(49,350)
Notes payable	(390,610)	(2,375,897)	(390,610)	1,505,525
Notes receivable	72,278	-	72,278	-

26. Related party balances (cont'd)

The income statement includes the following income earned from, and expenses incurred in, transactions with related parties, in the ordinary course of business:

	Company		Group	
	2008 ($'000)	2007 ($'000)	2008 ($'000)	2007 ($'000)
Directors				
Interest income	1,196	307	1,196	307
Interest expense	8,822	5,726	8,822	5,726
Major shareholders				
Interest expense	16,370	1,258	16,370	1,258
Interest income	1,389	10,469	1,389	10,469
Subsidiaries				
Interest income	289,738	35,149		
Associated companies				
Interest income	-	88,338	-	88,338
Interest expense	321,861	166,297	321,861	166,297
Consultancy fees	-	4,586	-	4,586
Key management compensation is as follows:				
Short-term employee benefits (including directors fees - see note 22)	93,869	81,699	93,869	81,699
Post-employment benefits	2,796	2,866	2,796	2,866
	96,665	84,565	96,665	84,565

27. Fair values

The tables below set out the company's and group's classification of each class of financial assets and liabilities, and their fair values (excluding accrued interest).

Company

	2008					
	Designated fair value $'000	**Loans and receivables $'000**	**Available for sale $'000**	**Other amortised $'000**	**Total $'000**	**Fair value $'000**
Cash and cash equivalents	-	1,288,258	-	-	1,288,258	1,288,258
Loans and notes receivable	-	2,655,380	-	-	2,655,380	2,655,380
Other receivables	-	1,226,169	-	-	1,226,169	1,226,169
Resale agreements	-	14,229,044	-	-	14,229,044	14,229,044
Investments	2,093,188	7,155,537	53,846,879	-	63,095,604	63,095,604
	2,093,188	26,554,388	53,846,879	-	82,494,455	82,494,455
Accounts payable	-	-	-	210,091	210,091	210,091
Repurchase agreements	-	-	-	74,453,566	74,453,566	74,453,566
Notes payable	-	-	-	2,495,729	2,495,729	2,495,729
Loans payable	-	-	-	203,540	203,540	203,540
Redeemable preference shares	-	-	-	2,572,562	2,572,562	2,572,562
	-	-	-	79,935,488	79,935,488	79,935,488

27. Fair values (cont'd)

Company

	2007					
	Designated fair value $'000	Loans and receivables $'000	Available for sale $'000	Other amortised $'000	Total $'000	Fair value $'000
Cash and cash equivalents	-	1,232,828	-	-	1,232,828	1,232,828
Loans notes receivable	-	2,460,770	-	-	2,460,770	2,460,770
Other receivables	-	476,735	-	-	476,735	476,735
Resale agreements	-	4,404,802	-	-	4,404,802	4,404,802
Investments	2,209,581	7,155,537	59,894,435	-	69,259,553	74,154,324
	2,209,581	15,730,672	59,894,435	-	77,834,688	82,729,459
Accounts payable	-	-	-	197,951	197,951	197,951
Repurchase agreements	-	-	-	76,130,301	76,130,301	76,130,301
Notes payable	-	-	-	2,375,897	2,375,897	2,375,897
Loans payable	-	-	-	324,643	324,643	324,643
	-	-	-	79,028,792	79,028,792	79,028,792

Group

	2008					
	Designated fair value $'000	Loans and receivables $'000	Available for sale $'000	Other amortised $'000	Total $'000	Fair value $'000
Cash and cash equivalents	-	1,666,582	-	-	1,666,582	1,666,582
Loans and notes receivable	-	2,907,228	-	-	2,907,228	2,907,228
Other receivables	-	1,192,626	-	-	1,192,626	1,192,626
Resale agreements	-	5,487,875	-	-	5,487,875	5,487,875
Investments	2,171,531	7,155,537	76,243,316	-	85,570,383	85,570,383
	2,171,531	18,409,848	76,243,316	-	96,824,695	96,824,694
Accounts payable	-	-	-	367,178	367,178	367,178
Repurchase agreements	-	-	-	88,246,690	88,246,690	88,246,690
Notes payable	-	-	-	2,660,923	2,660,923	2,660,923
Loans payable	-	-	-	203,504	203,504	203,504
Redeemable preference shares	-	-	-	2,572,562	2,572,562	2,572,562
	-	-	-	94,050,857	94,050,857	94,050,857

Group

	2007					
	Designated fair value $'000	Loans and receivables $'000	Available for sale $'000	Other amortised $'000	Total $'000	Fair value $'000
Cash and cash equivalents	-	1,368,878	-	-	1,368,878	1,368,878
Loans and notes receivable	-	2,593,624	-	-	2,593,624	2,593,624
Other receivables	-	337,892	-	-	337,892	337,892
Resale agreements	-	4,116,240	-	-	4,116,240	4,116,240
Investments	2,288,655	12,272,459	61,801,038	-	76,362,152	74,154,324
	2,288,655	20,689,093	61,801,038	-	84,778,786	82,570,958
Accounts payable	-	-	-	223,070	223,070	223,070
Repurchase agreements	-	-	-	77,353,059	77,353,059	77,353,059
Notes payable	-	-	-	2,508,751	2,508,751	2,508,751
Loans payable	-	-	-	325,334	325,334	325,334
	-	-	-	80,410,214	80,410,214	80,410,214

28. Financial risk management

A financial instrument is any contract that gives rise to a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

(a) Introduction and overview:

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

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

Risk management framework

These risks are managed through an established risk management framework for the group, which involves the analysis, evaluation, acceptance and management of some degree of risk or combination of risks. Taking risk is at the core of the financial business, and the operational risks are an inevitable consequence of being in business. The group's aim is, therefore, to achieve an appropriate balance between risk and return and minimise potential adverse effects on the group's financial performance.

The group's risk management policies are designed to identify and analyse these risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to-date information systems. The group regularly reviews its risk management policies and systems to reflect changes in markets, products and emerging best practice.

The Board of Directors is ultimately responsible for the establishment and oversight of the group's risk management framework. The Board has established committees/departments for managing and monitoring risks (at both senior management and Board level), some of which are as follows:

(i) Risk Management Committee

The Risk Management Committee is a Board Committee responsible for the supervision of the overall risk management functions of the group. The committee decides the policy and strategy for integrated risk management of the various risk exposures of the group.

(ii) Board Credit Committee

The Board Credit Committee is responsible for approving all credit requests above a specified threshold and ensuring that all lending facilities conform to standards agreed by the Board and embodied in Credit Risk Policy. The committee is ultimately responsible for determining the composition and management of the credit portfolio and has available a number of measures it can employ in this respect including the making of specific or general provisions against actual or potential bad debts. The Committee is supported in its work by the Management Credit Committee.

28. Financial risk management (cont'd)

(a) Introduction and overview (cont'd):

(iii) Audit Committee

The Audit Committee monitors the quality of the group's internal controls and compliance with regulatory requirements. The Audit Committee is assisted in its oversight role by the Internal Audit Function and the Risk Management and Compliance Units. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported quarterly to the Audit Committee.

The management of specific aspects of operational risk, such as fraud, is also within the purview of the Audit Committee.

(iv) Investment Committee

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

(b) Credit risk:

The group assumes credit risk, which is the risk that its customers or counterparties will cause a financial loss for the group by failing to discharge their contractual obligations. Credit exposures arise principally in lending and investment activities. The group structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to a single counterparty or groups of related counterparties and to geographical and industry segments.

Credit review process

The group has established a credit quality review process involving regular analysis of the ability of borrowers and other counterparties to meet interest and capital repayment obligations.

(i) Loans and notes receivable
The group assesses the risk rating of individual counterparties using internal rating models. Clients of the group are segmented into seven rating classes as shown below:

Rating grades	**Description of the grade**
1	Excellent credit
2	Good credit
3	Average credit
4	Acceptable
5	Marginal
6	Substandard
7	Doubtful

28. Financial risk management (cont'd)

(b) Credit risk (cont'd):

Credit review process (cont'd)

(i) Loans and notes receivable (cont'd)

Exposure to credit risk is managed in part by obtaining collateral and corporate and personal guarantees. Counterparty limits are established by the use of a credit classification system, which assigns each counterparty a risk rating. Risk ratings are subject to regular revision. The credit quality review process allows the group to assess the potential loss as a result of the risk to which it is exposed and take corrective action.

Loans and notes receivable that are cash secured are not included in a credit classification, based on the group's rating grades.

(ii) Investments and resale agreements

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

The group has documented investment policies; these facilitate the management of credit risk on investment securities and resale agreements. The group's exposure and the credit ratings of its counterparties are continually monitored.

(iii) Cash and cash equivalents

Cash and cash equivalents are held in financial institutions which management regards as strong and there is no significant concentration. The strength of these financial institutions is constantly reviewed by the Credit and Investment Committees.

Collateral and other credit enhancements

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are implemented regarding the acceptability of different types of collateral.

The main types of collateral obtained are as follows:

Notes receivable – cash and other near cash securities, mortgages over commercial and residential properties, and charges over general business assets such as premises, equipment, inventory, accounts receivable, marketable securities and motor vehicles.

Resale agreements – Government of Jamaica securities and Bank of Jamaica securities. The collateral obtained (including accrued interest) is at least 100% of the sum of the principal value of the resale agreement plus interest to be earned.

28. Financial risk management (cont'd)

(b) Credit risk (cont'd):

Collateral and other credit enhancements (cont'd)

Management monitors the market value of collateral, requests additional collateral in accordance with the underlying agreement, and monitors the market value of collateral held.

Impairment

The main considerations for loans and notes receivable impairment assessment include arrears of principal or interest for more than 90 days or known difficulties in the cash flows of counterparties, credit rating downgrades or infringement of the original terms of the contract.

The group addresses impairment assessment by reviewing all loans and notes receivable with risk ratings of 5 and above.

Individually assessed allowances are provided for financial assets based on a review conducted annually, or more regularly when individual circumstances require. Impairment allowances on individually assessed accounts are determined by an evaluation of the incurred loss at balance-sheet date on a case-by-case basis, and are applied to all accounts. The assessment normally encompasses collateral held and the anticipated receipts for that individual account.

The internal rating tool assists management to determine whether objective evidence of impairment exists, based on the following criteria set out by the group:

- Delinquency in contractual payments of principal or interest;
- Cash flow difficulties experienced by the borrower;
- Breach of loan covenants or conditions;
- Initiation of bankruptcy proceedings;
- Deterioration of the sector/industry;
- Deterioration of the borrower's competitive position; and
- Deterioration in the value of collateral.

28. Financial risk management (cont'd)

(b) Credit risk (cont'd):

Maximum exposure to credit risk before collateral held or other credit enhancements

	Maximum exposure			
	Company		Group	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Credit risk exposures relating to on balance sheet assets are as follows:				
Cash and cash equivalents	1,228,258	1,232,828	1,666,582	1,368,878
Investment securities	63,095,604	74,294,823	85,570,383	76,362,152
Loans and notes receivable	2,655,380	2,460,770	2,907,228	2,593,624
Resale agreements	14,229,044	4,404,802	5,487,875	4,116,240
Investments in associated companies	1,294,778	1,096,139	1,754,093	1,488,962
Other receivables, net of provision	1,226,169	476,735	1,192,626	337,892
	83,789,233	83,966,097	98,578,787	86,267,748
Credit risk exposures relating to off balance sheet items are as follows:				
Loan commitments	4,862	-	4,862	-
Guarantees	48,471	-	48,471	-
	53,333	-	53,333	-

The above table represents a worst-case scenario of credit risk exposure to the company and Group at March 31, 2008 and 2007, without taking account of any collateral held or other credit enhancements. For on-balance sheet assets, the exposures set out above are based on net carrying amounts as reported in the balance sheet.

Loans and notes receivable, other receivables and investment securities

(i) Financial assets – individually impaired

Financial assets that are individually impaired before taking into consideration the cash flows from collateral held are as follows:

	Company and Group	
	2008 $'000	2007 $'000
Investments	-	206,826
Loans and notes receivable and other receivables	50,956	18,288

Full provision has been made for financial assets that are individually impaired.

28. Financial risk management (cont'd)

(b) Credit risk (cont'd):

Loans and notes receivable, other receivables and investment securities (cont'd)

(i) Financial assets – individually impaired (cont'd)

The fair value of collateral that the company and group held as security for individually impaired investments and loans and notes receivable was $Nil (2007: $158,920,000).

There are no financial assets other than investments and loans and notes receivable that were individually impaired.

(ii) There are no past due nor impaired financial assets, except as shown in (i) above.

(iii) Financial assets that are past due but not impaired amount to $51,460,000 (2007: $71,374,000) for the company and group. These financial assets are all 90 days past due.

(iv) Renegotiated credits

The group has no credits that were renegotiated during the year and no repossessed collateral.

(v) The group monitors concentrations of credit risk by sector and by geographic location. An analysis of concentrations of credit risk at the balance sheet date is shown below:

28. Financial risk management (cont'd)

(b) Credit risk (cont'd)

Company

	2008				
	Cash and cash equivalents $'000	Loans and notes receivable $'000	Resale agreements $'000	Investments $'000	Total $'000
Carrying amounts	1,288,258	2,655,380	14,229,044	63,095,604	81,268,286
Concentration by sector					
Government of Jamaica	-	-	-	49,213,884	49,213,884
Sovereign bonds	-	-	-	782,716	782,716
Bank of Jamaica	-	-	-	7,155,537	7,155,537
Corporate	-	350,000	-	4,954,221	5,304,221
Financial institutions	1,288,258	-	9,913,392	989,246	12,190,896
Retail	-	2,305,380	4,315,652	-	6,621,032
	1,288,258	2,655,380	14,229,044	63,095,604	81,268,286
Concentration by location					
Jamaica	1,057,397	2,655,380	12,407,695	61,843,388	77,963,860
North America	232,511	-	-	-	232,511
Trinidad	(1,650)	-	354,375	64,024	416,749
Other	-	-	1,466,974	1,188,192	2,655,166
	1,288,258	2,655,380	14,229,044	63,095,604	81,268,286

	2007				
	Cash and cash equivalents $'000	Notes receivable $'000	Resale agreements $'000	Investments $'000	Total $'000
Carrying amounts	1,232,828	2,460,770	4,404,802	74,294,823	82,393,223
Concentration by sector					
Government of Jamaica	-	-	-	48,262,978	48,262,978
Sovereign bonds	-	-	-	3,548,977	3,548,977
Bank of Jamaica	-	-	-	12,190,807	12,190,807
Corporate	-	-	-	9,795,838	9,795,838
Financial institutions	1,232,828	-	3,307,959	496,223	5,037,010
Retail	-	2,460,770	1,096,843	-	3,557,613
	1,232,828	2,460,770	4,404,802	74,294,823	82,393,223
Concentration by location					
Jamaica	971,137	2,460,770	4,404,802	55,561,649	63,398,358
North America	263,074	-	-	15,158,484	15,421,558
Trinidad	(1,383)	-	-	25,713	24,330
Other	-	-	-	3,548,977	3,548,977
	1,232,828	2,460,770	4,404,802	74,294,823	82,393,223

28. Financial risk management (cont'd)

(b) Credit risk (cont'd)

Group

	2008				
	Cash and cash equivalents $'000	Notes receivable $'000	Resale agreements $'000	Investments $'000	Total $'000
Carrying amounts	1,666,582	2,907,228	5,487,875	85,570,383	95,632,068
Concentration by sector					
Government of Jamaica	-	-	-	55,780,375	55,780,375
Sovereign bonds	-	-	-	1,405,298	1,405,298
Bank of Jamaica	-	-	-	7,155,537	7,155,537
Corporate	-	350,000	-	20,087,319	20,437,319
Financial institutions	1,666,582		1,219,345	1,141,854	4,027,781
Retail	-	2,557,228	4,268,530	-	6,825,758
	1,666,582	2,907,228	5,487,875	85,570,383	95,632,068
Concentration by location					
Jamaica	1,132,580	2,655,380	3,621,176	61,921,730	69,330,866
North America	465,597	251,848	-	22,396,437	23,113,882
Trinidad	63,926	-	354,375	64,024	482,325
Other	4,479	-	1,512,324	1,188,192	2,704,995
	1,666,582	2,907,228	5,487,875	85,570,383	95,632,068

	2007				
	Cash and cash equivalents $'000	Notes receivable $'000	Resale agreements $'000	Investments $'000	Total $'000
Carrying amounts	1,368,878	2,593,624	4,116,240	76,362,152	84,440,894
Concentration by sector					
Government of Jamaica	-	-	-	49,265,227	49,265,227
Sovereign bonds	-	-	-	3,712,130	3,712,130
Bank of Jamaica	-	-	-	12,272,459	12,272,459
Corporate	-	-	-	10,537,040	10,537,040
Financial institutions	1,368,878	-	3,307,959	575,296	5,252,133
Retail	-	2,593,624	808,281	-	3,401,905
	1,368,878	2,593,624	4,116,240	76,362,152	84,440,894
Concentration by location					
Jamaica	1,030,856	2,593,624	4,116,240	55,477,570	63,218,290
North America	339,405	-	-	17,146,739	17,486,144
Trinidad	(1,383)	-	-	25,713	24,330
Other	-	-	-	3,712,130	3,712,130
	1,368,878	2,593,624	4,116,240	76,362,152	84,440,894

28. Financial risk management (cont'd)

(c) Liquidity risk:

Liquidity risk is the risk that the group is unable to meet its payment obligations associated with its financial liabilities when they fall due and, replace funds when they are withdrawn or fulfil commitments to lend.

The group is exposed to daily calls on their available cash resources from overnight placement of funds, maturing placement of funds, and loan draw-downs. The group does not maintain cash resources to meet all of these needs as experience shows that a minimum level of investment of maturing funds can be predicted with a high level of certainty.

The group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the group's reputation.

The group's liquidity management process, as carried out within the group, includes:

(i) Monitoring future cash flows and liquidity on a daily basis. This incorporates an assessment of expected cash flows and the availability of high grade collateral which could be used to secure funding if required.

(ii) Maintaining a portfolio of highly marketable and diverse assets that can easily be liquidated as protection against any unforeseen interruption of cash flow;

(iii) Optimising cash returns on investments;

(iv) Managing the concentration and profile of debt maturities.

Monitoring and reporting take the form of cash flow measurement and projections for the next day, week and month, respectively, as these are key periods for liquidity management. The starting point for those projections is an analysis of the contractual maturity of the financial liabilities and the expected collection date of the financial assets.

The maturities of assets and liabilities and the ability to replace, at an acceptable cost, interest-bearing liabilities as they mature, are important factors in assessing the liquidity of the group and its exposure to changes in interest rates and exchange rates.

The tables below present the contractual maturities of undiscounted cash flows (both interest and principal cash flows) of the group's financial liabilities.

28. Financial risk management (cont'd)

(c) Liquidity risk (cont'd)

Residual contractual maturities of financial liabilities

Company

	2008				
	Carrying amount ($'000)	Contractual cash flow ($'000)	Within 3 months ($'000)	3 to 12 months ($'000)	1 to 5 years ($'000)
Notes payable	2,495,729	(2,548,092)	(37,483)	(14,881)	(2,495,729)
Loans payable	203,540	(204,917)	(796)	-	(204,120)
Repurchase agreements	74,453,566	(75,626,580)	(54,554,148)	(21,072,432)	-
Preference shares	2,572,562	(2,588,090)	(15,528)	-	(2,572,562)
Accounts payable	210,091	(210,093)	(210,091)	-	-
	79,935,488	(81,177,770)	(54,818,046)	(21,087,313)	(5,272,411)

	2007				
	Carrying amount ($'000)	Contractual cash flow ($'000)	Within 3 months ($'000)	3 to 12 months ($'000)	1 to 5 years ($'000)
Notes payable	2,375,897	(2,425,247)	(35,706)	(13,644)	(2,375,897)
Loans payable	324,643	(326,128)	(1,485)	-	(324,643)
Repurchase agreements	76,130,301	(78,070,053)	(57,477,469)	(20,592,584)	
Accounts payable	367,178	(367,178)	(367,178)	-	-
	79,198,019	(81,188,606)	(57,881,838)	(20,606,228)	(2,700,540)

Group

	2008				
	Carrying amount ($'000)	Contractual cash flow ($'000)	Within 3 months ($'000)	3 to 12 months ($'000)	1 to 5 years ($'000)
Notes payable	2,660,923	(2,734,256)	(37,483)	(14,881)	(2,681,892)
Loans payable	203,504	(204,916)	(796)	-	(204,120)
Repurchase agreements	88,246,690	(75,646,918)	(54,574,486)	(21,072,432)	-
Preference shares	2,572,562	(2,588,090)	(15,528)	-	(2,572,562)
Accounts payable	367,178	(367,178)	(367,178)	-	-
	94,050,857	(81,541,358)	(54,995,471)	(21,087,313)	(5,458,574)

	2007				
	Carrying amount ($'000)	Contractual cash flow ($'000)	Within 3 months ($'000)	3 to 12 months ($'000)	1 to 5 years ($'000)
Notes payable	2,508,751	(2,558,101)	(168,560)	(13,644)	(2,375,897)
Loans payable	325,334	(327,119)	(2,476)	-	(324,643)
Repurchase agreements	77,353,059	(79,324,948)	(58,732,364)	(20,592,584)	-
Accounts payable	223,070	(223,070)	(223,070)	-	-
	80,410,214	(82,433,238)	(59,126,470)	(20,606,228)	(2,700,540)

28. Financial risk management (cont'd)

(d) Market risk

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

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

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

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

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

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

28. Financial risk management (cont'd)

(d) Market risk (cont'd)

A summary of the VaR position of the company's overall portfolio as at March 31, 2008 and during the year is as follows:

	March 31	Average for year	Maximum during year	Minimum during year
2008	$'000	$'000	$'000	$'000
Overall VaR	566,528	435,547	874,270	162,352
2007				
Overall VaR	303,000	313,542	526,600	131,000

The limitations of the VaR methodology are recognized by supplementing VaR limits with other position and sensitivity limit structures, including limits to address potential concentration risks within the portfolio.

(i) Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The group is exposed to foreign currency risk on transactions that it undertakes in foreign currencies that give rise to the net currency gains and losses recognized during the year. Such exposures comprise the assets and liabilities of the group that are not denominated in its functional currency. The group ensures that the risk is kept to an acceptable level by monitoring its value at risk exposure.

At the balance sheet date, the Jamaican dollar equivalents of net foreign currency assets/(liabilities) were as follows:

	Company		Group		Exchange rates	
	2008 ($'000)	2007 ($'000)	2008 ($'000)	2007 ($'000)	2008	2007
United States dollars	712,929	1,485,505	936,200	3,466,742	71.02	67.61
Great Britain pounds	140,923	296,416	140,923	215,663	141.23	121.56
Euros	668,086	109,902	668,086	95,723	111.88	90.52
Trinidad and Tobago dollars	438,084	26,885	1,010,559	32,169	11.25	10.70
Canada dollars	(63,328)	7,478	(63,328)	7,328	69.73	57.70
Peso	1,516,700	-	1,516,700	-	2.09	2.01

Foreign currency sensitivity

The following tables indicate the currencies to which the group and company had significant exposure on its monetary assets and liabilities and its forecast cash flows. The changes in currency rates below represent management's assessment of the possible changes in foreign exchange rates.

28. Financial risk management (cont'd)

(d) Market risk (cont'd):

(i) Currency risk (cont'd)

Foreign currency sensitivity (cont'd)

A 5 percent strengthening of the Jamaica dollar against the following currencies at March 31 would have increased profit or loss by the amounts shown. The analysis assumes that all other variables, in particular, interest rates, remain constant. The analysis is performed on the same basis for 2007.

	Company			
	Change in Currency Rate 2008 %	**Effect on Net Profit 2008 $'000**	**Change in Currency Rate 2007 %**	**Effect on Net Profit 2007 $'000**
Currency:				
USD	5	35,636	5	74,275
GBP	5	7,046	5	14,821
EUR	5	33,404	5	5,498
PESO	5	75,834	5	-
TT$	5	21,904	5	1,344
		173,824		95,938

	Group			
	Change in Currency Rate 2008 %	**Effect on Net Profit 2008 $'000**	**Change in Currency Rate 2007 %**	**Effect on Net Profit 2007 $'000**
Currency:				
USD	5	69,645	5	124,326
GBP	5	7,046	5	14,821
EUR	5	33,404	5	5,498
PESO	5	75,834	5	-
TT$	5	22,226	5	420
		208,155		145,065

(ii) Interest rate risk

Interest rate risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Floating rate instruments expose the group to cash flow interest risk, whereas fixed interest rate instruments expose the group to fair value interest risk.

The following tables summarise the company's and the group's exposure to interest rate risk to earnings. It includes the company and group financial instruments at carrying amounts, categorised by the earlier of contractual re-pricing or maturity date.

28. Financial risk management (cont'd)

(d) Market risk (cont'd):

(ii) Interest rate risk (cont'd)

Company

	Within 3 months ($'000)	3 - 6 months ($'000)	6 -12 months ($'000)	1 - 5 years ($'000)	Total ($'000)
2008					
Cash and cash equivalents	1,288,258	-	-	-	1,288,258
Loans and notes receivable	2,655,380	-	-	-	2,655,380
Resale agreements	7,880,407	6,348,637	-	-	14,229,044
Investments	20,235,736	9,056,355	32,814,267	989,246	63,095,604
	32,059,781	15,404,992	32,814,267	989,246	81,268,286
Repurchase agreements	53,851,051	20,602,518	-	-	74,453,569
Notes payable	-	-	2,495,729	-	2,495,729
Loan payable	-	-	203,540	-	203,540
Preference shares	-	-	2,572,562	-	2,572,562
	53,851,051	20,602,518	5,271,831	-	79,725,400
Total interest rate sensitivity gap	(21,791,270)	(5,197,526)	27,542,436	989,246	1,542,886
Cumulative gap	(21,791,270)	(26,988,796)	553,640	1,542,886	-
2007					
Total interest bearing assets	13,574,311	9,802,392	58,520,297	496,223	82,393,223
Total interest bearing liabilities	56,083,595	20,046,706	2,700,540	-	78,830,841
Total interest rate sensitivity gap	(42,509,284)	(10,244,314)	55,819,757	496,223	3,562,382
Cumulative gap	(42,509,284)	(52,753,598)	3,066,159	3,562,382	-

28. Financial risk management (cont'd)

(d) Market risk (cont'd):

(ii) Interest rate risk (cont'd):

Group

	Within 3 months ($'000)	3 - 12 months ($'000)	6 - 12 months ($'000)	1 – 5 years ($'000)	Total ($'000)
2008					
Cash and cash equivalents	1,666,582	-	-	-	1,666,582
Loans and notes receivable	2,907,228	-	-	-	2,907,228
Resale agreements	5,487,875	-	-	-	5,487,875
Investments	20,235,736	9,134,696	55,136,439	1,063,512	85,570,383
Total assets	30,297,421	9,134,696	55,136,439	1,063,512	95,632,068
Notes payable	-	-	2,660,923	-	2,660,923
Loan payable	-	-	203,504	-	203,504
Repurchase agreements	45,203,152	43,043,538		-	88,246,690
Preference shares	-	-	2,572,562	-	2,572,562
Total interest bearing liabilities	45,203,152	43,043,538	5,436,989	-	93,683,679
Total interest rate sensitivity gap	(14,905,731)	(33,908,841)	49,699,450	1,063,512	1,948,389
Cumulative gap	(14,905,731)	(48,814,573)	884,877	1,948,389	-
2007					
Total assets	13,421,799	10,016,898	60,426,900	575,297	84,440,894
Total interest bearing liabilities	57,043,186	20,309,873	2,834,085	-	80,187,144
Total interest rate sensitivity gap	(43,621,387)	(10,292,975)	57,592,815	575,297	4,253,750
Cumulative gap	(43,621,387)	(53,914,362)	3,678,453	4,253,750	-

28. Financial risk management (cont'd)

(d) Market risk (cont'd):

(ii) Interest rate risk (cont'd)

Interest rate sensitivity

The following tables indicate the sensitivity to a change of 200 basis points in interest rates, with all other variables held constant, on the company's and Group's profit and loss account and stockholders' equity.

The analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2007.

	The Company			
	Effect on Net Profit 2008 $'000	**Effect on Equity 2008 $'000**	**Effect on Net Profit 2007 $'000**	**Effect on Equity 2007 $'000**
Change in interest rate				
-2%	93,444	227,521	139,318	1,973,867
+2%	(38,129)	(873,618)	(29,973)	695,615

	The Group			
	Effect on Net Profit 2008 $'000	**Effect on Equity 2008 $'000**	**Effect on Net Profit 2007 $'000**	**Effect on Equity 2007 $'000**
Change in interest rate				
-2%	93,444	176,355	139,318	1,949,807
+2%	(38,129)	(924,784)	29,973	719,676

The impact on stockholders' equity is calculated by revaluing fixed rate available-for-sale financial assets for the effects of the assumed changes in interest rates. The correlation of a number of variables will have an impact on market risk.

28. Financial risk management (cont'd)

(d) Market risk (cont'd):

(iii) Equity price risk

Equity price risk arises on equity securities held by the group as part of its investment portfolio. Management monitors the mix of debt and equity securities in its investment portfolio based on market expectations. The primary goal of the group's investment strategy is to maximise investment returns while managing risk so as to minimise potential adverse effects on the group's financial performance.

The Group's equity securities are listed on the Jamaica and Trinidad and Tobago Stock Exchange Markets. A 5% increase or decrease in quoted bid prices at the balance sheet date would have an increase or decrease, respectively, in equity of $1,613,000 (2007: $3,274,000) for the company and $2,415,000 (2007: $4,907,000) for the group.

(e) Operational Risk:

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the group's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the group's operations.

The group's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the group's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within each business unit. This responsibility is supported by the development of overall standards for the management of operational risk in the following areas:

- requirement for appropriate segregation of duties, including the independent authorisation of transactions;
- requirements for the reconciliation and monitoring of transactions;
- compliance with regulatory and other legal requirements;
- documentation of controls and procedures;
- requirement for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified;
- requirements for the reporting of operational losses and proposed remedial action;
- development of contingency plans;
- risk mitigation, including insurance where this is effective.

Compliance with the group's standards is supported by a programme of periodic reviews undertaken by internal audit. The results of internal audit reviews are discussed with the management of the business unit to which they relate, with summaries submitted to senior management and the audit committee.

28. Financial risk management (cont'd)

(f) Capital management:

The group's lead regulator, the Financial Services Commission (FSC), sets and monitors capital requirements for the group as a whole.

The group's objectives when managing capital, which is a broader concept than the 'equity' on the face of balance sheets, are:

(i) To comply with the capital requirements set by the regulators of the financial markets where the entities within the group operate;

(ii) To safeguard the group's ability to continue as a going concern so that it can continue to provide returns for stockholders and benefits for other stakeholders; and

(iii) To maintain a strong capital base to support the development of its business.

Capital adequacy and the use of regulatory capital are monitored monthly by the group's management employing techniques based on the guidelines developed by the FSC, the Jamaica Stock Exchange (JSE) and the Risk Management Unit. The required information is filed with the respective regulatory authority at stipulated intervals.

The FSC requires each regulated entity to:

(i) Hold the minimum level of the regulatory capital; and

(ii) Maintain a minimum ratio of total regulatory capital to the risk-weighted assets.

The group's regulatory capital is divided into two tiers:

(i) Tier 1 capital: share capital, share premium, retained earnings, negative investment revaluation reserve and cumulative translation reserve.

(ii) Tier 2 capital: redeemable preference shares and investment revaluation reserve.

The risk-weighted assets are determined according to specified requirements that seek to reflect the varying levels of risk attached to assets and off-balance sheet exposures.

The group and its individually regulated entities have complied with all externally imposed capital requirements throughout the period.

There have been no material changes in the group's management of capital during the period.

The table below summarises the composition of regulatory capital and the ratios of the regulated companies within the group for the years ended March 31, 2008 and 2007.

28. Financial risk management (cont'd)

(e) Capital management (cont'd):

The regulated companies within the group are Jamaica Money Market Brokers Limited (JMMB), JMMB Securities Limited (JMMBSL), JMMB Insurance Brokers Limited (JMMBIB).

	JMMB		JMMBSL		JMMBIB	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Tier 1 capital	6,682,076	6,919,065	34	65	14,000	10,000
Tier 2 capital	2,572,562	228,511	42	32	-	-
Total regulatory capital	9,254,638	7,147,576	76	97	14,000	10,000
Risk-weighted assets:						
On-balance sheet	11,872,368	16,052,469	220	249	-	-
Foreign exchange exposure	5,075,992	4,536,727	17	35	-	-
Total risk-weighted assets	16,948,360	20,589,196	237	284	-	-
Total regulatory capital to risk weighted assets	54.6%	34.7%	32.6%	34.0%	-	-
Tier 1 capital to risk weighted assets	39.4%	33.6%	14.3%	22.9%	-	-
Required capital base to risk weighted assets	10.0%	10.0%	10.0%	10.0%	-	-

Capital requirement for JMMBIB is to maintain a minimum capital base of $10 million.

29. Post-employment benefit

Pensions are the only post-employment benefits to which the group is committed. To better secure the payment of promised benefits, the company operates a defined-contribution pension scheme for the group's employees who have satisfied certain minimum service requirements. The scheme is funded by equal contributions of employer and employee of 5% of pensionable salaries with an option for employees to contribute up to an additional 5% of pensionable salaries.

The scheme is administered by trustees and the assets are held separately from those of the group; some of the assets are included in funds being managed by the company [note 30(a)]. The scheme is subject to triennial actuarial valuations. The most recent actuarial valuation, which was conducted as at December 31, 2005, disclosed a surplus, which the trustees have decided will be allocated to the members accounts.

The contributions for the period amounted to $22,323,688 (2007: $17,423,408) for the company and $23,771,000 (2007: $18,943,793) for the group.

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

30. Managed funds

The group acts as agent and earns fees for managing clients' funds on a non-recourse basis under a management agreement. This includes some of the assets of the group's pension fund (note 29). Although the group is the custodian of the securities in which the clients participate, it has no legal or equitable right or interest in these securities. Accordingly, the securities in which the clients' funds are invested have been excluded from these financial statements.

At March 31, 2008, for the company and the group, funds managed in this way amounted to $18,819,222,029 (2007: $14,234,174,819) which includes pension scheme contributions (note 29), inclusive of accrued interest, amounting to $109,819,410 (2007: $113,143,579) for the company and the group. The financial statements include the following assets held in/(liabilities payable to) the managed funds:

	Company and Group	
	2008 ($'000)	2007 ($'000)
Other receivables (net)	690,027	(59,997)
Investments (see note 8)	83,409	77,728
Interest payable	(43,334)	(16,378)
Repurchase agreements	(8,032,540)	(3,445,525)

31. Lease commitments

Commitments under non-cancellable operating lease agreements, expiring between 2007 and 2010, amounted to $16,353,155 at March 31, 2008 (2007: $23,506,000). The lease rentals are payable as follows:

	Company and Group	
	2008 ($'000)	2007 ($'000)
Within one year	8,098	8,205
Subsequent years	8,255	15,301
	16,353	23,506

32. Contingent liability

As indicated in note 30, the company's business includes managing funds on behalf of clients. The Commissioner, Taxpayer Audit and Assessment Department ("TAAD"), wrote to the company in 2005 advising that consideration received for this service is subject to General Consumption Tax ("GCT"). However, in common with other licensed securities dealers providing this type of service in Jamaica, the company has not charged or paid GCT on the consideration received for this service. Counsel for the Jamaica Securities Dealers Association has written to the TAAD giving reasons why the consideration concerned is not subject to GCT. Based on the foregoing, the amount of the liability, if any, in respect of the relevant periods ended on March 31, 2008 has not yet been determined.

33. Segment reporting

Segment information is presented in respect of the group's geographical segments. In presenting information on the basis of geographical segments, segment revenue and assets are based on the geographical location of assets. Segment capital expenditure is the total cost incurred during the year to acquire property and equipment, and intangible assets other than goodwill.

The group has three geographical segments, namely, Jamaica, St. Lucia and other.

	Jamaica $'000	St. Lucia $'000	Others $'000	Eliminations $'000	Total $'000
2008					
External revenue	8,508,510	489,978	146,992	-	9,145,480
Intersegment revenue	46,233	232,868	10,637	(289,738)	-
Total segment revenue	8,554,743	722,846	157,629	(289,738)	9,145,480
Segment result	893,544	148,072	(21,680)		1,019,936
Share of profit in associated companies	-	-	234,966		234,966
Profit before income tax					1,254,902
Income tax					(193,292)
Profit for the year					1,061,610
Total segment assets	88,569,377	21,827,342	2,365,457	(10,346,410)	102,415,766
Total segment liabilities	81,816,722	21,286,951	2,220,189	(9,568,599)	95,755,262
Impairment losses on financial assets	140,000	-	-		140,000
Depreciation and amortisation	112,824	12,080	-		124,904
Capital expenditure	303,228	17,385	-		320,613

33. Segment reporting (cont'd)

	Jamaica $'000	St. Lucia $'000	Others $'000	Eliminations $'000	Total $'000
2007					
External revenue	8,392,896	64,018	3,390	-	8,460,304
Intersegment revenue	27,254	-	7,895	(35,149)	-
Segment revenue	8,420,150	64,018	11,285	(35,149)	8,460,304
Segment result	1,427,113	58,906	(13,442)	(41,134)	1,431,443
Share of profit of associated companies	-	-	76,275		76,275
Profit before tax					1,507,718
Income tax					(409,115)
Profit for the year					1,098,603
Total segment assets	88,528,518	2,059,420	737,440	(1,706,421)	89,618,957
Total segment liabilities	81,291,326	1,689,325	750,259	(1,281,203)	82,449,707
Impairment losses on financial assets	254,299	-	-		254,299
Depreciation and amortisation	120,014	370	-		120,384
Capital expenditure	185,132	9,620	-		194,752

FORM OF PROXY

I/We ____
of ____
being a member/members of JAMAICA MONEY MARKET BROKERS LIMITED hereby appoint_________________________________of_______________________________ or failing him/her ______________________________of ______________________________
___ as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on September 17, 2008 and at any adjournment thereof

RESOLUTIONS	FOR	AGAINST
Resolution 1		
Resolution 2		
Resolution 3 (a)		
Resolution 3 (b)		
Resolution 3 (c)		
Resolution 3 (d)		
Resolution 4		

Dated this ___________________________day of___________________________ 2008.

____
Signature

Place
Stamp
Here
$100

In the case of a Body corporate, this form should be executed under Seal.

Note: To be valid this proxy must be deposited with the Company Secretary of the Company at 6 HAUGHTON TERRACE, KINGSTON 10, not less than 48 hours before the time appointed for holding the meeting. A Proxy need not be a member of the Company.