



LOVE • CARE



FAITH • POSSIBILITY



COURAGE • DETERMINATION



HONESTY • INTEGRITY



UNITY



ANNUAL REPORT 2009

# OUR VISION OF LOVE

*Jointly created by all JMMB Team Members 1997-1999.  
It continues to Inspire and Guide us today and for the future*

**JMMB** is seeking to create an organizational environment in which team players can achieve their full potential. Accordingly, the teams at JMMB are committed to a long-term ongoing process of holistic development that recognize the complete development of the individual. JMMB is therefore, a medium through which individuals may have dreams for themselves; and can extend those dreams beyond the organization into an infinite, prosperous and abundant society and universe. Each person is loving and respectful of each other, and represents an important link in a chain of LOVE serving each other, sharing ideas; building each other;

Hence, **the JMMB vision is shared by all team players.**

The JMMB Team is clear that the organization is based on **UNCONDITIONAL LOVE** and **MUTUAL RESPECT**. This LOVE is expressed in ongoing day to day working relationships and performance. Unconditional love is expressed in every interaction and is the foundation upon which the organization rests.

**Love motivates the JMMB team to serve our clients who are a very special part of our family.**

The driving force of the organization is to provide opportunities for team players to expand their potential, to recognize the power within and their ability to fully express and manifest this power to the benefit of the individual, the organization and the society. In the process, all individual and organizational goals are achieved.

This is the central ethos / philosophy of JMMB and becomes increasingly challenging as the organization increases in size. This innovative approach to life represents a new way of looking at the world, where equality and equity are dominant. Hence, this represents a paradigm shift.

JMMB is therefore, actively and publicly involved in charitable / voluntary activities within the society and recognizes and accepts its social responsibility; understanding that it has everything to do with JMMB which is part of the link in the wider chain.

Within this perspective, the JMMB Team recognizes diversity. While celebrating differences among team members, realizes that there are commonalities that bind members together. When this "One-Ness" is accepted, nurtured and developed, this enhances the ongoing implementation of the shared vision. The intention is to ensure that wherever conflict exists, we achieve to a positive outcome.

JMMB is committed to life in all its abundance. Accordingly, team players recognize the links between the organization and the wider society and the inter-relatedness of all life. In keeping with this, JMMB is committed to being actively concerned with the conservation, preservation and sustenance of the natural environment in order to ensure sustainable development.

The atmosphere that JMMB is in process of developing, may be defined as an energy field where overlapping circles of **creativity, passion, excitement, fun and laughter coexist in a dynamic process** that ultimately leads to higher and higher levels of self-actualization; hence, the achievement of the organizational mission. **This is a loving, caring and honest atmosphere** where ideas are valued and shared openly; where a balance is created between aspirations and practical aspects of work and life, between actualization and potential. There is no fear, no limitations, no boundaries. Team members are, therefore, expected and encouraged to be genuine, taking responsibility to express anything they feel, knowing that it is safe to do so. To ensure this, JMMB is committed to provide an open forum for ideas to be discussed, tested and implemented in order to help each other grow.

Team Members, therefore, envision **JMMB** as the **premier financial institution** of its kind: **successful, professionally managed with excellent team members giving exceptional client care** and striving to achieve excellence in all areas of life. Team members see JMMB continuing to expand beyond Jamaica, retaining its spiritual characteristics and therefore, developing all the disciplines required for its continued success.

## **EACH TEAM MEMBER'S DECLARATION:**

**I BELIEVE SO STRONGLY IN MYSELF THAT I WILL NOT GET DEFENSIVE BY CRITICISM AS I KNOW THAT EVERY EXPERIENCE IS AN OPPORTUNITY FOR GROWTH. I WILL NURTURE AND BUILD MY FELLOW TEAM PLAYERS I WILL USE EVERY OPPORTUNITY TO PRAISE AND GIVE THANKS. I EMBRACE THE UNCERTAINTY THAT FORMS PART OF MY VISION. I HAVE A STRONG ENOUGH FAITH TO KNOW THAT EVERYTHING THAT HAPPENS ALONG MY PATH HAPPENS FOR A REASON, AND THAT ALL THINGS WORK TOGETHER FOR MY GOOD.**

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SEIZE EXCELLENT INVESTMENT OPPORTUNITIES

LET'S BE  
POSSIBILITY  
THINKERS  
NOW



# NOTICE

## OF ANNUAL GENERAL MEETING JAMAICA MONEY MARKET BROKERS LIMITED

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting of the Company will be held at The Pavillion, The Terra Nova All Suite Hotel, 17 Waterloo Road, Kingston 10, on Wednesday July 29th, 2009 at 10:00 a.m., for the purpose of transacting the following business, namely:

### ORDINARY BUSINESS

1. To consider the Company's Audited Consolidated Accounts and the Reports of the Directors and Auditors for the year ended March 31, 2009.

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, 2009 be received."

2. To approve and ratify interim dividends.

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

"THAT the interim dividends of Eleven (11) cents paid on December 19th 2008 and Six (6) cents paid on June 30th 2009 making a total of Seventeen (17) 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 Mr. Dennis Harris, Mr. V. Andrew Whyte and Dr. Anne Crick who being eligible offer themselves for

re-election. Mr. Ramesh Ramsudaram who having been appointed to the Board of Directors since the last annual general meeting retires and does not seek re-election

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

- (a) THAT Mr. Dennis Harris be and is hereby re-elected a Director of the company;
- (b) THAT Mr. V. Andrew Whyte be and is hereby re-elected a Director of the company; and
- (c) THAT Dr. Anne Crick 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."

### SPECIAL BUSINESS

5. Increase in the number of Directors

To consider and if thought fit pass the following resolution as an ordinary resolution:

That the minimum number of directors be not less than five (5), and the maximum number of directors be no more than fifteen (15).

Dated this 19th day of June, 2009

BY ORDER OF THE BOARD

Carolyn DaCosta  
Secretary

REGISTERED OFFICE  
6 Houghton 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.





## POSSIBILITY THINKING FOR SHARED PROSPERITY

In 1992, when Joan Duncan and Dr. Noel Lyon gave birth to JMMB, they were clear that ethics matters. Values matter. Trust is vital. They founded JMMB on the values of integrity, honesty, love, respect, openness and caring. For us, these words are not just clichés. They are the lifeblood of our organization. Consequently, from inception we chose to take a win/win approach to find opportunities that serve the best interest of all.

The efficacy of these principles is abundantly evident today in the wake of the most severe financial crisis the world has experienced in over 70 years. After the global financial meltdown, fuelled in no small part by lack of transparency and unethical practices, the notion that “good guys finish last” and that ethics is expendable and no longer fashionable.

We at JMMB have tenaciously sought to live true to our values and walk our talk. We have confidently declared that to us “mushy” matters such as love, caring, and honesty are fundamental to success. It has always been clear to us that what is good for our clients and

stakeholders will also be good for us. We know that once we put you first, our growth as a company is assured. Shared wellbeing and prosperity have always been integral to our business philosophy.

JMMB was established as a result of a vision - a vision of love, a vision of empowerment, a vision of financial independence. Our founders Joan Duncan and Dr. Noel Lyon were true possibility thinkers: they saw and embraced the possibility of developing the money market in the Caribbean to provide opportunities for people from all walks of life and companies of all sizes to maximize their savings and investment options. They demystified the money market and “democratized” it, as it were - opening it up to people who would not normally think that that was any of their business. Joan Duncan and Dr. Noel Lyon saw possibilities where others saw problems.

Today it is that same possibility thinking that drives JMMB, and that we now encourage all Jamaicans to nurture and unleash in their lives. We are reminded that through God all things are possible. We believe this is true for you and for all Jamaicans. As such our team members recommit ourselves to you and to Jamaica as we embrace possibility thinking for shared prosperity.



## POSSIBILITY THINKING BENEFITS OUR SHAREHOLDERS





SOLID PERFORMANCE OVER THE YEARS

## CHAIRMAN'S REPORT

Noel A. Lyon, PhD  
Chairman



POSSIBILITY THINKERS DEFINE A VISION & SET GOALS



# CHAIRMAN'S REPORT

The Year 2008/9 represented a year of change, achievements, challenges and opportunities for the JMMB group. The year also brought with it fresh perspectives and new approaches to reinforcing a wide range of capabilities, enabling the team to manage the business through the difficult times we all faced as a global and national community. All this was done while maintaining our resolute commitment to the interests of all stakeholders: our shareholders, team members and clients.

Indeed, the JMMB group continued on its path of sustainable profitable growth, generating solid results by ending the year March 31, 2009, with Net Profit before tax of J\$ 1.5 billion and Total Equity of J\$ 5.3 billion. This was achieved despite a challenging operating economic environment characterized by high interest rates, reduced margins and shocks from the global financial crisis. A more in-depth analysis of our results is presented in our Management Discussion and Analysis.

Our regional and business line diversification, through our associated and subsidiary companies, continue to play significant contributory roles in the profitability of the group with an overall return of J\$351.1 million to the group profit for the year. The Intercommercial Bank Ltd (IBL), operating from Trinidad and Tobago, has expanded its retail presence in 2008/9 with the opening of their newest Branch in Port of Spain and by so doing has commenced the first phase of their plan to accelerate growth. JMMB's Dominican Republic (DR) operations have progressed well and the early signs of business growth are very encouraging. We obtained regulatory approval to sell repurchase agreements and our first year of operation has been profitable. We continue to aggressively roll out the business model and to form new business alliances as opportunities arise. We are confident that this DR strategic link will pave the way for JMMB expanding its footprint into the wider Caribbean and Latin American region, and indeed yield considerable returns on the

investments in the medium-term.

A key event of note for the year was the successful sale of our minority ownership position in Caribbean Money Market Brokers Ltd (CMMB) to the majority owning partner, following a one and a half year (1 1/2) period of negotiations. The sale added J\$2.3B to our profit line. I would like to use this opportunity to thank the CMMB Board of Directors, leadership team and team members for their contribution and commitment to the JMMB/CMMB partnership throughout the eight years (8) of our association.

JMMB Jamaica aspires and is motivated to distinctively serve our over 125,000 clients, through a range of services and products. During fiscal year 2008/9, we made further progress in the pursuit of this aspiration. We continued to expand our retail presence by establishing additional Electronic Transaction Machines (ETMs) at various locations islandwide where our clients can make investments and encashments (in both US and Jamaican Dollars) to their accounts, as well as perform basic account transactions. Our Corporate Solutions arm was further developed throughout 2008/9 as we expanded and improved our products and services to our corporate and institutional clients. We continued to launch new products and improve on current offerings for all our clients: retail, corporate and institutional. During the year we also deployed our pensions business line and further embedded our credit offerings within the diversified business model, building the credit portfolio in a prudent manner.

Our unrelenting focus on managing expenses and improving our operational efficiencies, while continuing to make strategic investments for growth are designed to ensure that JMMB maintains its balance in unsteady times and maximizes performance under all conditions. As Possibility Thinkers, throughout 2008-9 we kept our vision and commitment to all stakeholders at the forefront, objectively assessed the significant global and local economic factors, applied lessons learnt,

continuously looked for opportunities, and made smart choices to further reinforce the foundation for sustainable growth and profitability.

The depth and breadth of JMMB's skilled and capable leadership team is notable. The year ahead will not be without new challenges but I am confident that this strong leadership capability supported by a dedicated and passionate team is engaged and is ready to ride the waves as we continue to move this company forward through sound execution to drive strong results.

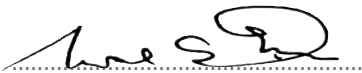
In 2008/9 we said goodbye to two of our Directors, Mr. Cedric Stewart and Mr. Richard Trotman, who moved on to new challenges. On behalf of the Board, I wish to thank Cedric and Richard for their invaluable contributions and wish them success in their future endeavours.

As a corporate citizen, we take our responsibilities very seriously. We continue to provide assistance to the vulnerable in our society, through our recently established JD Foundation, to support and develop various community projects and national programmes. We are proud that our culture of sharing and commitment to corporate social responsibility is also infused and embraced within our associated companies across the region.

To our Board of Directors, I extend my sincere gratitude for your unwavering dedication to the continued growth and success of JMMB.

On behalf of the Board, I thank the entire JMMB team for a strong and inspiring effort in moving us forward during the

year. I also thank you our shareholders and clients, for your commitment and support. We are driven by your desires and interests and remain committed to serving you.



Noel A. Lyon  
Chairman

**"As Possibility Thinkers, throughout 2008-9 we kept our vision and commitment to all stakeholders at the forefront, objectively assessed the significant global and local economic factors, applied lessons learnt, continuously looked for opportunities, and made smart choices to further reinforce the foundation for sustainable growth and profitability."**

# SOLID PERFORMANCE OVER THE YEARS

## TEN-YEAR STATISTICAL REVIEW

	Year ended 31-Mar-09 2009	Year ended 31-Mar-08 2008	Year ended 31-Mar-07 2007	
<b>GROUP FINANCIAL DATA</b>				
	(J\$'000)	(J\$'000)	(J\$'000)	
Total assets	111,193,465	102,415,766	89,618,957	
Resale agreements	1,455,155	5,487,875	4,116,240	
Investments	96,260,862	85,570,383	76,362,152	
Other earning assets	5,879,387	5,586,956	5,451,464	
Fixed assets	1,075,741	966,017	747,940	
Repurchase agreements	90,110,998	88,246,690	77,353,059	
Stockholders' equity	5,305,902	6,644,413	7,166,896	
Funds under management	110,184,670	111,757,466	88,631,247	
Operating revenue net of interest expense	4,849,213	3,324,949	3,384,483	
Administrative expenses	2,455,567	2,177,396	1,708,729	
Profit before tax	1,544,528	1,254,902	1,526,459	
Net profit	1,102,622	1,061,610	1,098,603	
Dividends (declared in respect of the fiscal year/period)	248,777	321,946	336,578	
Profit retained (in respect of the fiscal year/period)	760,503	739,664	762,025	
<b>RATIOS</b>				
Earnings per stock unit (cents)	75	73	75	
Dividends per stock unit (cents)	17	22	23	
Dividend payout ratio	22.6%	30.3%	30.6%	
Market Price per share (JSE closing price-J\$)	6.00	11.75	10.50	
Price earnings ratio	8	16	14	
Return on average equity	4.60%	15.35%	15.29%	
Return on average assets	0.26%	0.28%	1.28%	
Book value per stock unit (J\$)	3.63	4.55	4.90	
Net interest margin	10.85%	16.79%	18.29%	
Funds under management per team member (J\$'000)	358,908	335,608	303,532	
Net profit per team member(J\$'000)	3,592	3,188	7,525	
Efficiency ratio (Admin. exp/Operating revenue net of int.exp.)	50.64%	65.49%	50.52%	
<b>OTHER DATA</b>				
Exchange rate J\$ per US\$1.00	88.35	71.02	68.14	
Inflation rate year over year (%)	12.40%	19.90%	6.60%	
Number of stock units at year end	1,463,386,752	1,463,386,752	1,463,386,752	
Market capitalisation	8,780,320,512	17,194,794,336	15,365,560,896	
Number of team members (JMMB & Subs.)	307	333	292	
Number of branches (Jamaica)	8	9	9	





Year ended 31-Mar-06 2006	Year ended 31-Mar-05 2005	13 months ended 31-Mar-04 2004	Year ended 28-Feb-03 2003	Year ended 28-Feb-02 2002	Year ended 28-Feb-01 2001	Year ended 29-Feb-00 2000
(J\$'000)	(J\$'000)	(J\$'000)	(J\$'000)	(J\$'000)	(J\$'000)	(J\$'000)
81,880,170	63,889,888	61,215,631	48,945,993	39,022,166	21,238,909	15,992,187
9,376,949	8,839,025	18,059,384	8,247,468	6,859,379	6,694,937	4,752,474
63,285,620	48,481,878	37,828,581	36,027,531	24,434,731	12,917,671	10,443,119
5,276,891	3,021,790	3,400,938	2,164,638	1,854,618	1,211,603	401,123
685,153	432,193	326,996	298,216	160,895	113,842	80,327
70,761,258	54,791,793	55,102,420	46,184,956	36,692,555	20,049,321	15,195,156
7,198,449	5,800,961	4,012,109	1,861,536	1,174,011	699,581	469,482
79,414,404	63,982,494	63,833,807	52,268,700	41,494,600	23,495,100	20,003,668
2,845,131	2,566,810	1,990,529	1,521,068	1,017,650	674,641	493,842
1,496,190	1,206,293	1,001,663	834,320	487,672	364,883	263,195
1,844,422	1,765,177	1,518,604	934,575	536,343	344,921	231,931
1,590,430	1,648,481	1,547,155	1,038,252	548,956	331,899	186,315
263,411	263,411	234,142	180,093	100,128	82,421	46,578
1,327,019	1,385,070	1,313,013	858,159	448,828	249,478	139,737
109	113	106	71	38	53	33
18	18	16	12	7	10	9
16.6%	15.9%	15.13%	17.35%	18.24%	24.83%	25.00%
12.62	17.00	16.65	7.42	-	-	-
12	15	16	10	-	-	-
25.60%	33.40%	52.68%	68.41%	58.60%	56.78%	48.90%
2.60%	2.60%	2.81%	2.36%	1.82%	1.78%	1.22%
4.92	3.96	2.74	1.27	0.80	0.82	0.86
24.10%	24.80%	14.71%	12.71%	11.21%	11.63%	9.28%
282,614	271,112	324,029	305,665	257,730	183,555	190,511
6,153	6,985	7,641	6,072	3,034	2,593	1,774
52.60%	47.00%	50.32%	54.85%	51.00%	54.09%	53.30%
65.50	61.54	60.90	53.74	47.53	45.78	42.09
11.10%	12.40%	17.30%	5.70%	8.10%	6.70%	8.20%
1,463,386,752	1,463,386,752	1,463,386,752	1,463,386,752	1,463,386,752	856,986,752	547,746,751
18,467,940,810	24,877,574,784	24,365,389,421	10,858,329,700	-	-	-
281	236	197	171	161	128	105
8	8	7	7	7	7	7

## EFFECTIVE GOVERNANCE BOARD OF DIRECTORS



**HUGH DUNCAN, MBA**

Appointed to the Board in 2006, Hugh Duncan, CEO and Managing Director of Intercommercial Bank Limited (IBL), has over twenty years experience in the Banking and Financial Services sectors. 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, associate companies of JMMB. Prior to joining the IBL Group, he served as Director of Capital Markets and Business Development at Jamaica Money Market Brokers Limited (JMMB).

Mr. Duncan held senior positions at Citibank (Trinidad) from 1989 to 1998, including Corporate Bank Head for Citibank (Trinidad) and subsequently served five years as a member of Citibank's International staff based in Manila, Philippines. Mr. Duncan also served as FirstCaribbean International Bank's Director of Capital Markets for the North Caribbean Region. Mr. Duncan's experience spans both the financial services and energy sectors, having worked with the Jamaica Bauxite Mining Company and subsequently Trinidad and Tobago Oil Company, now Petrotrin. He holds an MBA from Concordia University and a Bachelor of Commerce Degree from Montreal's George Williams University.

**DENNIS L. HARRIS, FCCA**

Dennis Harris was appointed to the Board of Directors in January 2000 and sits on both the HR and Audit & Finance Sub-Committees. A certified Accountant, Mr. Harris is currently the Regional Finance Director for all Courts business in the Caribbean with specific responsibility for Finance, Treasury, Credit and Information Technology. Mr. Harris also serves as a Director on the Board of Unicomer (formerly Courts) Jamaica Ltd.

**V. ANDREW WHYTE, MBA**

Mr. Andrew Whyte was appointed to the Board of Directors in July 2002 and sits on the Risk and Audit & Finance Sub-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.

**CAROLYN DACOSTA, MBA**  
Company Secretary

Ms. Carolyn DaCosta, a Certified Internal Systems Auditor (CISA), joined Jamaica Money Market Brokers (JMMB) in February 1995 as a supervisor in the branch network, and subsequently held a number of managerial positions including; manager for our flagship branch, Island Life, Settlement Manager, and Technical Operations and Compliance Manager. On March 18, 2008, she was appointed as the Group's Company Secretary. She holds an undergraduate degree from the University of the West Indies and an MBA in Finance from Manchester Business School.

In her dual position as Group Compliance Manager and Company Secretary, Ms. DaCosta has responsibility for the establishment, implementation and monitoring of the entity-wide compliance framework ensuring that all relevant statutory and regulatory requirements of the company are in compliance, as well as the management of the Internal Audit process. She is also responsible for ensuring the proper appointment, induction and training of Directors and executive management.

**ARCHIBALD CAMPBELL, FCA, MSc**  
Deputy Chairman

Mr. Archibald Campbell was re-appointed to Director in September 1998 and appointed as Deputy Chairman in 2004. Mr. Campbell is Chairman of the Pension Trustees Meeting, as well as Chairman of the Risk, Credit and Audit & Finance 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 BSc. 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.



POSSIBILITY THINKERS DEFINE A VISION AND SET GOALS



**NOEL A. LYON, PhD.**  
Chairman

Dr. Noel Lyon was appointed Chairman of the Board of Directors of Jamaica Money Market Brokers Ltd (JMMB) at its first meeting in 1992. He currently also chairs a number of companies associated with the Company, including JMMB Insurance Brokers Ltd, JMMB Securities Ltd, Intercommercial Bank Ltd, Intercommercial Trust and Merchant Bank, JMMB BDI America and JMMB Dominicana, S.A.

His diverse and extensive work experience includes the position of CEO of the following entities: Jamaica Venture Fund Ltd, National Development Bank of Jamaica Ltd and Frome Monymusk Land Company. Dr. Lyon also worked in various roles at the Bank of Jamaica (BOJ) as Advisor to the Governor, Head of the Commercial Bank Inspection Division and Assistant to the Governor. He has held Directorships in many private and public entities in Jamaica, including Bank of Jamaica (BOJ), Export-Import Bank of Jamaica Ltd., Jamaica Bauxite Mining Co. Ltd., Jamaica Tourist Board, Jamaica Stock Exchange Council, Jamaica Unit Trust Services Ltd, Clarendon Alumina Production Ltd and Braco Resorts Ltd. Dr. Lyon attended Kingston College, University of Guelph (B.S.A., MSc.); Harvard University (PhD Economics) and Harvard Business School.

**DONNA DUNCAN-SCOTT, CFA**  
Group Executive Director

Donna Duncan-Scott became Managing Director of JMMB in 1998 after the passing of Joan Duncan. A trained Industrial Engineer, she earned her MBA from the 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 the office of CEO in 2005 and assumed the position of Group Executive Director with responsibilities for Culture and Leadership Development.

Currently she leads the design and development of programmes and practices to deepen JMMB's unique culture of being in the world of team members and clients and having their best interest at heart.

**KEITH P. DUNCAN, CFA**  
Group Chief Executive Officer

Mr. Keith Duncan, known for his strategic thinking and visionary leadership, joined the Jamaica Money Market Brokers team as a Trader in 1993, and went on to lead and build one of the strongest Trading teams in Jamaica. In 2000 he went on to become the Deputy Managing Director, and in 2005, he was promoted to Group CEO of JMMB Ltd. 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. As Group CEO, he has helped to maintain JMMB's position as an industry leader committed to regional and international expansion.

He currently serves as Chairman of the Youth Empowerment Foundation of Jamaica and the National Youth Service (NYS) having been re-appointed in May 2008, following his first period of service to the Jamaican youth beginning in 2003. He is the former president of the Jamaica Securities Dealers Association (JSDA), and during his tenure he, along with his team, partnered with the Financial Services Commission (FSC) in designing and implementing new structures and models to enhance the strength and effectiveness of the market players in Jamaica.

**ANNE CRICK, PhD.**

Dr. Anne P. Crick, appointed to the Board of Directors in 2006, is the Chair of the HR Sub-committee. She 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. Crick is also a very active member of the Jamaica Customer Service Association and an honorary fellow of the Jamaica Institute of Management. Her areas of specialty include tourism, quality service management and organizational culture and change.

**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 2003 and he also serves as a Director of Intercommercial Bank Limited, a JMMB associate company. Over his tenure, My Sutherland also served on the Board of Caribbean Money Market Brokers Limited until September 2008, as well as a Director of the Securities Commission from 1993 to 2001. Mr. Sutherland is a graduate of the University of the West Indies and the Columbia University Graduate School of Business.

**RODGER BRAHAM, ACIB, BBA, PMD**

With over 30 years experience in commercial and development banking with specialized experience in debt and organizational restructuring, Mr. Rodger Braham was appointed to the Board of Directors in July 2008. He holds the Associate of Chartered Institute of Bankers (ACIB) designation from the Institute of Bankers of London, a Bachelor's in Business Administration (BBA) from the University of Technology and a Programme for Management Development (PMD) from Harvard University.

Mr. Braham currently works as a management consultant at JMMB. He sits on the Credit and Risk Sub-Committees, having assisted the company in developing and operationalising its Credit Policy and Procedures in 2007.



EFFECTIVE GOVERNANCE

# DIRECTORS' REPORT

FOR THE YEAR ENDED MARCH 31ST 2009



The Directors are pleased to present their Report for the fiscal year ended March 31, 2009. 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 \$4.85 billion
- The Profit before income tax was \$1.5 billion
- The Profit attributable to equity holders of the parent after income tax was \$1.10 billion
- Shareholders’ Equity was \$5.3 billion

## DIVIDENDS

The Directors recommend that the interim dividends paid on December 19th, 2008 and June 30th, 2009 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, 2009 were as follows:

Mr. Richard Trotman and Mr. Cedric Stewart tendered their resignations effective January 12th, 2009 and February 27th, 2009 respectively.

Dr. Noel A. Lyon	Chairman
Mr. Archibald A. Campbell	Deputy Chairman
Mr. Keith P. Duncan	Chief Executive Officer
Mrs. Donna Duncan-Scott	Executive Director
Mr. Dennis L. Harris	Director
Mr. V. Andrew Whyte	Director
Mr. Wayne Sutherland	Director
Mr. Ramesh Ramsudaram	Director
Mr. Rodger Braham	Director
Mr. Hugh Duncan	Director
Dr. Anne Crick	Director
Miss. Carolyn DaCosta	Company Secretary

Mr. Ramesh Ramasudaram was appointed to the Board on January 20th, 2009 and resigned April 1st, 2009. He is not seeking re-election.

In accordance with Article 105 of the Company’s Articles of Association, the Directors retiring from office by rotation are Messrs. Dennis Harris, V. Andrew Whyte and Dr. Muriel Anne Crick, who, being eligible, offer themselves for re-election.


## AUDITORS

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

## APPRECIATION

The Directors wish to express their heartfelt thanks to the management and all team members for the commendable work done during the challenging year – the company results generated are derived from your dedication and commitment to long-term value creation. As always, deep and sincere appreciation to the clients for their continued support and partnership. To the Shareholders, we are grateful for the privilege to serve, and reaffirm our unwavering commitment to provide guidance, leadership and support to the JMMB team.

By Order of the Board  
Dated this June 19th, 2009

  
Carolyn DaCosta  
Company Secretary



EFFECTIVE GOVERNANCE

# CORPORATE GOVERNANCE



**A**t Jamaica Money Market Brokers Limited (JMMB), we believe that sound governance is critical to the success of any company. This includes effective Board and Management oversight, the achievement of corporate goals and the efficient use of resources.

## BOARD OF DIRECTORS

The Board of Directors is comprised of competent, knowledgeable and experienced professionals who provide strategic guidance and visionary leadership to the company. The primary objectives of the Board are to:

- set corporate strategic objectives;
- meet the obligation of accountability to their shareholders and take into account the interests of other recognized stakeholders;
- align corporate behaviour with the expectation that the company will operate in a safe and sound manner and in compliance with applicable laws and regulations; and
- protect the interests of shareholders, clients and team members.

The Board consists of six (6) Independent Directors and two (2) Executive Directors. Each Sub-Committee of the Board has at least 2 Independent Directors.

In accordance with best practices and established principles of corporate governance, the Board of Directors of JMMB established the following Sub-Committees of the Board of Directors:

- Audit & Finance Committee
- Risk Committee
- Human Resources Committee
- Credit Committee

Each Committee is governed by a Charter that outlines its role and responsibilities. The composition of each Committee is below.

Each Committee makes a quarterly report to the Board of Directors.

Non-Executive Directors	Audit & Finance	Risk	Human Resources*	Credit
Archibald Campbell	Chairman	Chairman		Chairman
Dennis Harris	*		*	
Anne Crick PhD.			Chairman	
V. Andrew Whyte	*	*		
Wayne Sutherland				*
Noel Lyon PhD.				*
Rodger Braham		*		*

*\*The HR Sub-Committee also includes an Executive Director as allowed by our Charter.*

## THE BOARD AUDIT & FINANCE SUB-COMMITTEE REPORT

The Audit & Finance Committee assists the Board in discharging its duties with respect to internal controls and regulatory requirements. The primary duties and responsibilities are:

- Recommending the appointment of an independent external auditor and his/her 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.

The internal auditor for the company was PriceWaterHouseCoopers (PWC), while KPMG comprised the external auditors.

During the financial year 2008/9:

- The following areas were audited:

- |                             |                       |
|-----------------------------|-----------------------|
| - Information Technology    | - Marketing           |
| - Risk                      | - Trading             |
| - Branch Operations         | - Financial Reporting |
| - Accounting                | - Compliance          |
| - Securities and Settlement | - Human Resources     |

- Meetings were also held with KPMG to discuss finalisation of annual audit and discussion with regard to their management letter.
- A total of four (4) securities counts were conducted.

The Committee consists of three (3) 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.

Twelve (12) Committee meetings were held for the year.

## THE BOARD CREDIT SUB-COMMITTEE REPORT

The Board Credit Committee (the “Committee”) is a standing committee appointed by the Board of Directors of JMMB to review the performance of the company’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 executed the following duties during the year in order to meet its objectives:

- Approved credit management policies and procedures.
- Evaluated requests for Loans and Advances and renewals of facilities submitted by the Management Credit Committee and where the aggregate exposure to any one customer or group exceeded J\$70M.
- Reviewed 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.
- Reviewed and approved, where applicable, recommendations from the Management Credit Committee on specific or general provisions against actual or potential bad debts.
- Considered developments in the local and international financial markets, and utilized that knowledge to develop tactical strategies for meeting (or surpassing) the company’s targets.
- Reviewed the Terms of Reference for the Committee periodically and recommended changes to the Board of Directors for approval.
- Reported to the Board any significant actions or decisions taken by the Committee.

**“The objective was to ensure that our decisions and actions were consistent with our Vision of Love, our core values and global best practices.”**

Eight (8) meetings were convened for the year.

## THE BOARD RISK SUB-COMMITTEE REPORT

The Risk Management Committee is a standing committee that 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 has full access to JMMB’s facilities and personnel. It may engage independent counsel and other advisers as it deems necessary to carry out its duties. This Committee also has the authority to approve risk policies, subject to Board ratification.

The Committee has the responsibility of ensuring that appropriate policies, procedures and practices are in place for handling the risks the company is exposed to. The following were achieved during the year:

- Approved policies for managing the company’s market, credit and operational risks.
- Reviewed existing policies and approved same where necessary.
- Monitored adherence to these policies.
- Reviewed the processes used within the company for identifying, evaluating and monitoring market, credit and

operational risks.

- Monitored the company’s risk tolerance level.
- Monitored the company’s (financial) risk exposure.
- Advised the Board of the impact of strategic decisions being contemplated on the risk level of the company.
- Monitored the company’s level of accounting and economic capital.
- Recommended to the Board how the company’s capital should be allocated across its business lines.
- Reported to the Board any significant actions or decisions taken by the Committee.

Four (4) meetings were held for the year.

## THE BOARD HUMAN RESOURCES SUB-COMMITTEE REPORT

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 JMMB’s vision, mission and values.

This year was quite a significant one for JMMB, with its re-alignment exercises to reconfigure the business consistent with our revised outlook in the wake of the global economic crisis. The Committee

lent its support to these initiatives by providing oversight and guidance around the re-alignment process. The objective was to ensure that our decisions and actions were consistent with our Vision of Love, our core values and global best practices. Over the course of the year, the Committee also focused on retooling the performance management systems with the goal of ensuring that the systems aligned with JMMB’s values and visions and business strategies.

The HR Committee is now actively engaged in analyzing and making recommendations about the group’s organizational structure to ensure that it provides the flexibility and accountability essential for the company’s continued growth and success.

The activities carried out by the Committee for the year were:

- Revision of 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.
- Oversight of the separation process, while ensuring all team members felt loved and respected throughout the process.
- Made recommendations for conducting reviews and audits to measure matters relating to the human resource function in the company.
- Reported to the Board on the deliberations of the Committee and made recommendations to the Board on any relevant changes or actions which the Committee considered prudent.
- Ensured compliance with approved recommendations that are not being implemented.
- Ensured compliance with laws and regulations.

A total of eight (8) meetings were held for the year.





## EFFECTIVE GOVERNANCE

## RISK MANAGEMENT

## OVERVIEW

During the financial year, international financial markets experienced the worst turmoil in several decades. While instability in the financial markets began with the onset of the subprime mortgage crisis in the US during 2007, and intensified with the rescue of brokerage firm Bear Stearns in early 2008, it was the demise of the 158-year-old investment firm Lehman Brothers in September which brought the global financial system to the brink of collapse. The resultant turmoil required unprecedented action from central banks and governments of the major developed economies to stabilize financial markets. Collectively, trillions of US dollars were utilised to provide liquidity to financial markets, recapitalize large financial institutions or provide guarantees against future losses, and to increase government spending in an attempt to prevent a downward economic spiral.



The negative global developments during the year have emphasised that prudent professional risk management is a necessity for the long-term viability of financial institutions. Indeed, JMMB's culture of risk management and active oversight of risk by the Board, augments the technical skills of team members directly responsible for managing risk, thereby ensuring that the long-term sustainable growth of the company is maintained even under the most challenging circumstances. JMMB has therefore continued to invest resources to further enhance its risk management framework. Internal risk management processes were reviewed and strengthened to further reflect the shift in the financial landscape. As such, reinforced focus has been placed on managing counterparty risk exposures and ensuring ready access to adequate liquidity across a range of markets.

The Board Risk Committee provides strategic direction on the framework for risk management within the organization and broadly outlines the desired level of risk tolerance. Team members within the risk department are primarily responsible for enacting the desired framework and ensuring that material business decisions take into account the various risks involved.

**REGIONAL DIVERSIFICATION: FACILITATES GROWTH AND ENABLES RISK MITIGATION**

Having a regional presence within the Caribbean allows the JMMB Group to benefit from the diversification of revenue sources and risk exposures in a meaningful way, and contributes to the stability of the organization. Going forward continued prudent risk management will play a critical role in supporting JMMB's strategic goals, as is likely to be the case for many other organizations, and will therefore receive the necessary focus. Management of risk exposures at JMMB can be broadly segregated into the following factors – market risk, credit risk, liquidity risk and operational risk.

At JMMB, Value-at-Risk (VaR) estimates, scenario analysis and stress tests are the primary methods used to monitor and manage exposure to market risk. VaR provides an aggregate measure of the possible loss on investments over a specific time period and for a given probability. VaR is a widely accepted risk metric used to manage market risk and is utilized by major financial firms throughout the world. Stress tests and scenario analysis are employed to help identify risks which VaR analysis may not adequately capture.

Management of interest rate risk is of special importance, as JMMB's investments are primarily in fixed income products. Interest rate risk reflects potential changes to the income and economic

value of investments due to fluctuations in the level, slope and curvature of the yield curve. Duration analysis and estimation of repricing gaps are the tools which JMMB specifically uses to effectively manage exposure to interest rate risk.

Credit risk emanates from JMMB's lending, investment and funding activities, where counterparties have contractual obligations to make payments or facilitate transactions. The Board indicates a tolerable level of credit risk, which is actively managed by the Credit Risk team. Limits are set on credit exposures by various classifications, such as economic sector, collateral type provided, loan purpose and customer profile.

**"JMMB has adopted accepted best practices, including those from the Basel standard, to ensure the comprehensive identification, estimation and management of credit risk."**

This allows rigorous quantitative techniques to be applied to the provision and pricing of credit facilities, thereby facilitating better business decisions. JMMB can therefore ensure the expected return on a credit facility is reflective of its level of risk, which allows the company to better deploy its capital and provide fair pricing of loans to clients. Given the possible challenges to the global economy in the upcoming year,

increased emphasis will be placed on ensuring the company provides financing to quality borrowers at appropriate interest rates.

JMMB's liquidity model used to manage liquidity risk has been further enhanced and is consistently used to inform investment and funding decisions, with emphasis placed on ensuring that funding sources are diversified and adequate. This allows the company to effectively monitor its liquidity position and to develop strategies that ensure all obligations can be met even under very stressful market conditions.

In order to mitigate operating risks the JMMB Board and senior management team have overseen the implementation of suitable controls for internal processes and systems, mandated the segregation of certain duties and established comprehensive business continuity plans to safeguard against disasters. A rigorous and independent internal auditing framework exists to ensure that significant risks are properly identified and adequately managed. JMMB's internal auditors, PricewaterhouseCoopers, conduct regular audits and provide quarterly reports to the Board Audit & Finance Sub-committee, along with reports submitted by the external auditors, KPMG. JMMB's Compliance Unit ensures consistency with regulatory and other legal requirements and makes certain that relevant company policy is consistent with JMMB's values of honesty, integrity and transparency.

## OPTIMISE RETURN ON CAPITAL

JMMB seeks to maximize returns to its stakeholders by strategically deploying its capital in a manner that maximizes returns relative to risks borne by the company. Overall strategy is developed taking into account the advantages of diversification, the need to place limits on exposures to particular risks and the benefits of maintaining financial flexibility. Assessment of alternative investment decisions takes into account Risk Adjusted Return on Capital (RAROC), as well as other tools which ensure shareholder's capital is utilized in the most appropriate manner. This approach to capital management will enhance profitability over the long-term.

In the context of the ever changing financial landscape, JMMB seeks to constantly identify and implement appropriate developments in risk management with the active oversight of the board. We constantly seek to benchmark our processes against international best practices. JMMB is committed to maintaining a risk management framework which allows the company to adequately cope with financial market disturbances, while continuing to pursue strategic initiatives that will bolster long-term profitability.

**"We constantly seek to benchmark our processes against international best practices. JMMB is committed to maintaining a risk management framework which allows the company to adequately cope with financial market disturbances, while continuing to pursue strategic initiatives that will bolster long-term profitability."**



## SERVING OUR COMMUNITIES

## CORPORATE SOCIAL RESPONSIBILITY

THE POWER OF POSSIBILITY THINKING

## NEW DEVELOPMENT

The Joan Duncan (JD) Foundation was registered and incorporated in 2008 as a charitable non-profit organization and will be officially launched in 2009.



## THE JD FOUNDATION

## Our Vision

Enable Jamaicans to tap into their potential for greatness and have their greatness impact their own lives and enhance the lives of their communities. This will ultimately lead to a more prosperous and abundant society.

## Our Purpose

- To support the building of our society in the areas of education for primary school children, all the way to university education.
- To support the building of the disciplines that impact thinking, knowledge, behaviour and practices for success.
- To support the society to take responsibility for the environment towards sustainable development.
- To support people and leadership development projects including education about self and our heritage.

“JMMB is committed to life in all its abundance. Accordingly, team players recognize the links between the organization and the wider society and the inter-relatedness of all life. JMMB is therefore actively and publicly involved in charitable voluntary activities within the society and recognizes and accepts its social responsibility; understanding that it has everything to do with JMMB which is part of the link in the wider chain.”

- Excerpt from JMMB Vision of Love

## MAJOR PROGRAMMES

## COMMITTEE FOR THE UPLIFTMENT OF THE MENTALLY ILL (CUMI)

The JMMB Team continues strong and consistent support for the Committee for the Upliftment of the Mentally Ill (CUMI) to ensure real and sustained impact in our society. CUMI's rehabilitation programmes and activities are structured to improve the lives of their clients, some of the most vulnerable in our society: the mentally ill and the homeless. CUMI seeks to help them develop coping skills in readiness for re-entering their family environments and communities. Along with other day-to-day activities, the programme employs the services of a clinical psychologist who works with mentally ill clients, helping to empower them with the knowledge and the skills to understand and manage their mental wellness. We recognize that this will enable them to work and function as productive individuals.



Hardworking members of the CUMI Family

Seated are (L-R): Ron Good, Joy Crooks, Pearnell Bell, MCC volunteers Susan Martin & April King. Standing are (L-R): Simone Tingling & Ann Newnham.

- JMMB remains the major sponsor for the CUMI programme.
- JMMB's contribution for the financial year 2008/2009 was in the form of monetary donations as well as time, with a team member being named to serve on the Board of Directors.
- The CUMI Rehabilitation Day Centre services, for the period facilitated, 4,491 client visits, averaging 17 per day.
- For the same period, there were 13 new intakes [from the hospital and the community].
- 8,086 meals were served [breakfast and lunch].

The CUMI Day Centre can facilitate a maximum of 25 clients per day. On average most clients attend 3 days per week. Over 1000 clients have completed the rehabilitation programme and of that number, more than 750 have returned to their communities and have found jobs or are otherwise productive citizens.



"I greatly appreciate what you have done for my daughter and me. I cannot imagine the tragedy it would have been had it not been for your intervention. You have made her dream a reality. I can breathe freely now without being on a suicidal watch for her. If I was indebted to you I could not pay you – so I always lend a helping hand when it is needed. I learned how to manage my emotions to stay calm when anger wants to take over. Thank you JMMB for your thoughtfulness and for extending your hand to so many of us."

- Excerpt from Beneficiary of CUMI Adult and Children Programmes letter to JMMB.

### JMMB/CUMI CHILDREN'S PROGRAMME

- The brainchild of Joan Duncan and Elizabeth Hall, the CUMI Children's programme is targeted at the children of the mentally ill, who also represent a highly vulnerable group with untapped potential.
- In our eleventh year of operation, the CUMI Children's programme has entered its first student into a tertiary institution this year.
- The student, whose parent remains a client in the CUMI Adult programme, entered prior to primary school with a history of mental and physical abuse as well as a learning disorder. The CUMI Children's programme provided her with the necessary physical, emotional and psychological support to accomplish her dream of going to drama school.
- Other children in the programme are showing major improvements related to behavior modification and academic progress in schools.

### Possibility Thinking Success Story

One child, whose mother was mentally ill and who was assessed to be mentally retarded and mute upon entry in the programme, started speaking, entered basic school and then moved on to prep school. The child eventually caught up at age 14 and was able to do the GSAT examination and passed for a prominent high school in Montego Bay. We are proud to report that this child went on to represent the school in TVJ's School's Challenge Quiz competition. This is the power of Possibility Thinking.

### PILOT PROJECT IN SCHOOLS: USING THE CUMI CHILDREN MODEL

- The Pilot Project of the CUMI Children's programme Phase II started in 2008.
- Involved the intervention of twelve (12) students attending Corinaldi Avenue Primary School, who were recommended by their class teachers as having emotional/behaviour problems, conduct/discipline problems, oppositional/defiant behaviour, withdrawn/depressed behaviour and reading problems/low academic performance.
- Parents were contacted and all gave permission for psychological testing to be done by Dr. Pearnell Bell. Results of the testing revealed that there were multiple areas to be addressed:
  - Hyperactivity/Attention Deficit Disorder
  - Mental challenges (some mild)
  - Speech therapy
  - Vision/hearing testing
  - Psychiatric evaluation
  - Low performance/remedial education

### RESULTS FROM THE PILOT PROJECT IN SCHOOLS

The programme in and of itself was successful.

- CUMI used an eco-systemic approach, which proved that for a child to be psychologically whole, all the forces in the system they are a part of must be part to the intervention.
- The children, after being evaluated and diagnosed, were treated according to individual needs.
- Case conferences helped parents, teachers and social workers to get a greater understanding of the cause and

purpose of their child's behaviour.

- Appropriate intervention aided the teacher in understanding how to interface with each child.
- All the children and parents who consistently followed through on the recommendation made good improvement. The parents who did not follow through on all the recommendations showed marginal improvements, indicating that full involvement would have produced the desired results.

Heartfelt thanks to Joy Crooks, Administrator; Dr. Pearnell Bell, Clinical Psychologist; Ann Newnham, CUMI Children's Coordinator; and Simone Tingling Accountant for the selfless service they provide everyday.

### SPONSORSHIP OF WORLD-CLASS FOOTBALL IN JAMAICA

JMMB continued its support of the participation of Jamaicans in world-class competitive football internationally, as well as the professional development of the sport locally, through significant sponsorship. This was done primarily through support of the:

**Senior Reggae Boyz:** particularly during the 2nd round World Cup Qualifier home games against Mexico, Honduras and Canada in 2008;

**U-20 Boyz programme:** including their qualification effort against St. Vincent (January) and Trinidad and Tobago (March).

### JMMB/Jamaica Football Federation (JFF)

**Coaching School:** established in January 2009, the Coaching School seeks to train and better equip our local coaches in the skills and knowledge of building a cadre of consistently technically-sound players at the primary and preparatory school level as well as at the high school level in preparation of players for active and successful involvement at the senior level.



## OTHER JMMB SPONSORSHIPS AND PROJECTS: POSSIBILITY IN ACTION

### Community Development

- Our Montego Bay branch is an active contributor to the local inner city basketball team. Team members frequently train with the team.
- Each month, the May Pen branch donates to various community projects; some from the past year include:
  - Clarendon Association for Street People Benevolent Society
  - Clarendon 4-H Club - Optimist Club of South Central Clarendon
- Santa Cruz made a major donation to restore the town's monumental clock.
- Administrative cost for the Build Jamaica Foundation.
- Administrative cost for Jamaicans for Justice.

### Education

- Grants for students attending University of Technology and UWI School of Medicine.
- Sponsored books and supplies for students at medical school.
- Tuition for students with various learning disabilities to attend special schools.
- In conjunction with the PSOJ, JMMB participated in the Reading Across Jamaica Day 2008 slated activities by reading to children of different age groups at various schools:
  - Allman Town Primary
  - Denham Town Primary
  - Drews Avenue Primary
  - Elleston Primary

### Health

- Assisted with medical costs for various health challenges.
- Santa Cruz has made an ongoing contribution to the St. Elizabeth Care Foundation, an organization that cares for the indigent in the community.
- Adopt a Bed, Mandeville Hospital – Childrens Ward.
- Mandeville Regional Hospital, assisted in the purchase of critical equipment for the High Dependency Unit.

### JMMB Team Members get involved

- Relay For Life
- Sigma Run
- Jamaica Cancer Society Labour Day Project



PSOJ's Membership Luncheon in July 2008 focused on Corporate Social Responsibility and recognized JMMB for outstanding work in Corporate Social Responsibility. Imani Duncan, Manager, Corporate Solutions & Group Strategy (centre) accepted on behalf of the JMMB Team.



Floyd Lewis, JMMB Montego Bay Client Relations Officer supports the Railway Tigers (L-R) Anthony Christie, Neko Robinson, Jason Blake, Mikhael Smith after recent training session.



April Lawful, JMMB Portmore Client Relations Officer (Portmore) and Wayne Sutherland, JMMB Director participated in the 2008 Reading Day activity at Allman Town Primary.



Jacqueline Mullings, JMMB May Pen & Santa Cruz Branch Manager presents the chair person, Joyce Francis and committee members of the St. Elizabeth Care Committee with a cheque for their 'shelter building project'.



Dr. Everton McIntosh, Dr. Marcia Whittaker, JMMB Mandeville Branch Manager, Jacqueline Mullings, JMMB May Pen & Santa Cruz Branch Manager and Dr. Patrick Adizua are all happy that the equipment sponsored by JMMB has found its new home in the High Dependency Unit at the Mandeville Hospital.



Ann-Marie Richards, Rivoli United Netball Club, proudly accepts a trophy from Teverly Gray, JMMB Portmore Branch Manager after placing second in the NHT Parish Netball Competition.



**POSSIBILITY THINKING  
DEMONSTRATED**



PRUDENT CHOICES • SUSTAINABLE PROFITABILITY

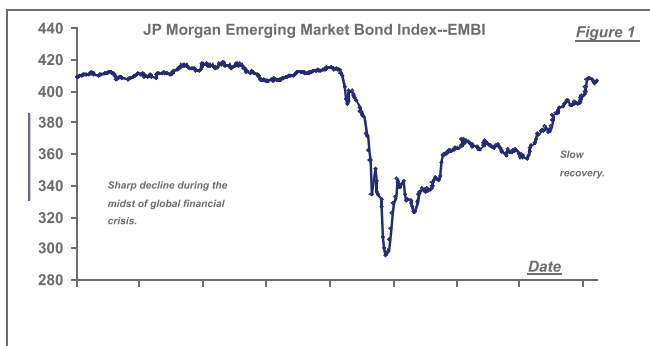
# JAMAICAN BUSINESS ENVIRONMENT-08/09

## MACROECONOMIC CONTEXT

The 2008/09 fiscal year (April 1, 2008 to March 31, 2009) was a very challenging one for the Jamaican economy. The global crisis, driven by the US sub-prime mortgage crisis, and its impact on the US financial sector significantly curtailed global growth. As the turmoil played out there were a number of casualties. Bear Stearns, Lehman Brothers, Merrill Lynch, Wachovia, Washington Mutual (WAMU) and an additional 10 US banks could not survive the sub-prime mortgage driven credit crunch and lack of confidence which hit the US-financial sector and slowly filtered to the rest of the world.

The crisis was met globally with panic selling, as investors aggressively sold all “remotely” risky assets; from emerging market global debt/bonds to global/emerging market equities (See Figure 1). However, as the year progressed emerging market debt slowly regained traction as investors realized that they may have over-reacted.

From September 2008 – March 2009, the Jamaican economy felt the brunt of the crisis initially through declining global bond prices, sharp declines in equity indices, currency volatility, increased interest rates and finally, negative economic growth and missed fiscal targets.



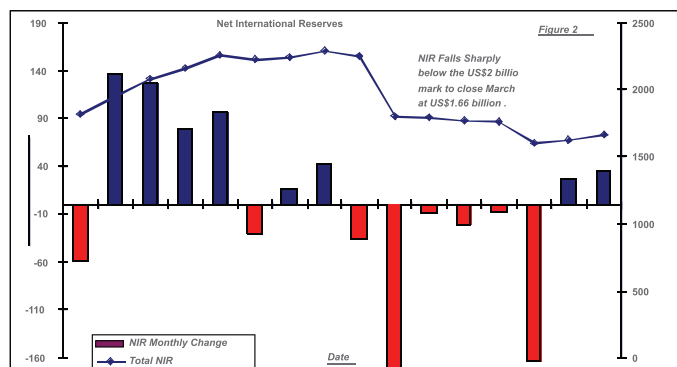
## NET INTERNATIONAL RESERVES (NIR) & CURRENCY DEPRECIATION

The US financial crisis and consequent global liquidity crunch led to margin calls on local financial institutions to satisfy Government of Jamaica (GOJ) global bond positions with international brokerage houses. The margin calls led to currency volatility because of the need for US dollars which were sourced locally. As a result, the Jamaican dollar depreciated by 24.94% against the US dollar between March 2008 and March 2009. From a historical standpoint, only the 2003 crisis of confidence saw Jamaica experience similar levels of currency depreciation.

Simultaneously two major sources of US dollars, remittances and tourism revenues, declined. Indeed, Jamaica saw for the first time four consecutive months of year-on-year reduction in remittances, with an average decline of 10.3% for the period. This led to the decline of the country's Net International Reserves (NIR) as the Central Bank intervened to stem the slide of the currency (See Figure 2). The NIR ended March 2009 at US\$1.66 billion, below the market's psychological bench-mark of US\$2 billion.

**Exchange Rate and NIR Outlook** To date (June 2009), the exchange rate has held stable due to the moral suasion of the Central Bank which has elicited and received the support of the Authorized Dealers and Cambio operators. As such, the currency has settled at the J\$88 to J\$89 range against the US dollar. As is expected, the J\$ is expected to depreciate against its US\$ counterpart over the fiscal year as it normally does.

There are some concerns that the NIR may decline further. This is due to the reduced remittance inflows, reduced FDI and declines in Tourism visitor expenditure which may put further pressure on the capital and financial account side of the balance of payments.

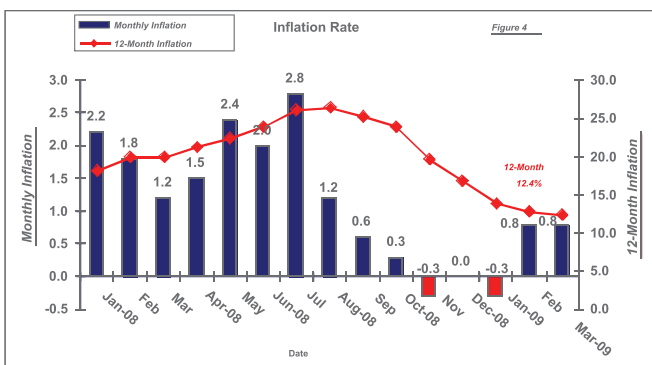
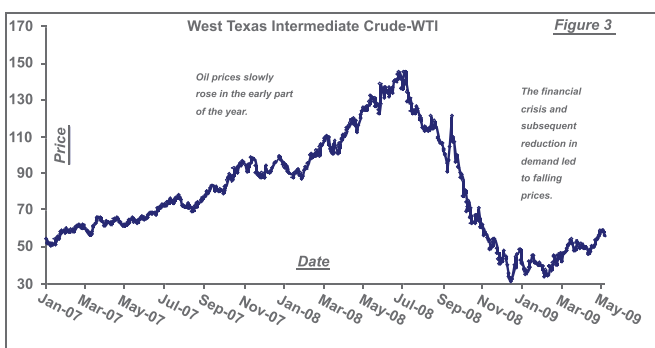
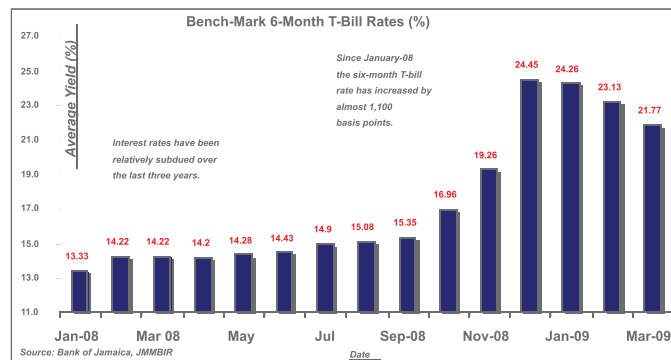


## INFLATION

Inflation was a major concern during the early months of the financial year. Increases in global commodity prices, (oil, wheat & corn) due to geo-political factors were the primary reasons for the initial concerns from a global standpoint. Locally, increases in utilities (telephone landline rates, water rates) and taxi fares accounted for the increase. However, as the global crisis hit, commodity prices (particularly oil) plummeted leading to sharp declines in inflation. Deflation/ negative increases (-0.3) were recorded for the months of November and January (See Figure 3). The declines were offset marginally by the depreciation of currency.

Inflation closed the financial year at 12.4% year-over-year (y-o-y), a significant decline from its 12-month peak of 26.5% recorded in August 2008 (Figure 4).

**Inflation Outlook** Going forward the official GOJ projection for inflation is 11%-14%. Our models are roughly in line with that target with the risk to the upper limit coming from possible currency volatility due to Balance of Payment (BOP) pressures and/or weather related shocks.



## BANK OF JAMAICA (BOJ) HIKES INTEREST RATES

For financial year 2008/09 the BOJ increased interest rates on three occasions, June 8th, October 17th and December 1st. The June 8 interest rate increase averaged 265 basis points (b/p) across the board and, based on the BOJ's press release, was aimed at pulling liquidity from the system to bring inflation within the 12%-15% range. At the time, international commodity prices, particularly food and petroleum products, were increasing rapidly.

The October 17 rate increase was less of a shock to the system; rates were increased by an average of 74.2 basis points across the board. At that time the outlook for inflation had improved due to declining global oil prices, however the demand for foreign exchange locally had increased. As such, the BOJ supported the October 17 rate increase with a liquidity facility to enable the flow of US dollars sought by financial institutions to satisfy the increased payments to overseas creditors (margin call requirements) given the fall-off in emerging market bond prices.

On November 18, new monetary policy measures were announced to address the build up of Jamaican dollar liquidity in the banking system that could potentially threaten stability. The BOJ offered a special 20.5% Certificate of Deposit (CD) to commercial banks and primary dealers to mature on December 3. After the CD's maturity date the BOJ increased the cash reserve requirement of commercial banks, merchant banks and building societies to 11% from 9%, effectively pulling more liquidity from the system.

December 1 saw the BOJ effectively shock the system with an average interest rate increase of 474.2 b/p across the board, this included a 730 b/p increase on the 365 day tenor. This effectively increased rates to the highest level seen since the 2003 crisis of confidence. According to the BOJ, the rate increase was in response to the increased attractiveness of GOJ global bonds and US-dollar bonds issued by Jamaican companies which had exacerbated the demand for foreign exchange. This triggered a disorderly depreciation in the exchange rate, which if allowed to persist, would only precipitate higher inflation and greater macroeconomic instability.

INTEREST RATE CHANGES FOR THE 2008/09 FISCAL YEAR

Tenor	30 day	60-day	90-day	120-day	180-day	365-day
Previous rates	13.50%	13.70%	13.90%	14.00%	14.20%	15.00%
New Rates	17.00%	17.50%	20.00%	20.20%	21.50%	24.00%
Change in Rates (Basis Points)	350	380	610	620	730	900

Source: BOJ, JMMBIR



**Interest Rate Outlook** On April 8, 2009, the BOJ actually reduced rates on the 365 day tenor. Rates were reduced from 24% to 22.67%. However, the Central Bank noted that the previous hike to 24% was to encourage longer term placements—this “sweetener” was simply removed. In our opinion, the overall direction of interest rates in the near to medium term (3 to 4 months) is down. We are concerned however that further volatility in the exchange rate (BOP pressures, reduced NIR) may halt that trend and in a worse case scenario, reverse it.

## FISCAL PERFORMANCE

For Fiscal Year 2008/09 most major national economic targets were missed:

- GDP growth projected at 2% to 3% came in at negative 0.6%
- Inflation came in at 12.4%
- The fiscal deficit originally projected at 4.5% came in at 6.8% (the largest since 2002/03)
- The current account deficit came in at 19.2%.

Revenue and grants were originally budgeted to increase by 19.3%, however growth came in at 7.6%, a deviation of J\$29.8 billion. Below par tax revenue growth was the major culprit; the original budgetary forecast was for growth of 20.8%, but the actual growth rate came in at 12.2%, a deviation of J\$18.85 billion.

On the expenditure side, capital expenditure continued to feel the pain of fiscal deviations (J\$3.4 billion below budget). As usual, whenever revenue inflows are performing poorly and interest expenditure costs begin to negatively affect the targeted outcome, the government reigns in capital expenditure to control the deficit.

Table 2	Budget 2009/10	Budgeted Growth- 2009/10
Revenue & Grants	339,007.8	22.7%
Tax Revenue	292,907.8	19.0%
Non-Tax Revenue	15,500.0	-3.6%
Bauxite Levy	100.0	-97.8%
Capital Revenue	20,300.0	980.7%
Grants	10,200.0	34.6%
Expenditure	401,900.4	14.3%
Recurrent Expenditure	356,343.3	14.9%
Programmes	82,097.5	12.0%
Wages & Salaries	115,238.4	3.3%
Interest	159,007.4	26.9%
Domestic	112,512.2	25.7%
External	46,495.2	29.9%
Capital Expenditure	41,009.1	-0.9%
Capital Programmes	41,009.1	-0.9%
Fiscal Deficit	-62,892.7	
Fiscal Deficit (% of GDP)	-5.24%	
Nominal GDP	1,199,618.6	

Source: MOF, JMMBIR

As a result, overall expenditure came in marginally (J\$2.2 billion/0.7%) above target. Recurrent expenditure accounted for most of the deviation, coming in J\$5.7 billion above budget due to the:

1. Government's payment to teachers (approx. J\$4 billion—wages), and
2. BOJ's hiking of domestic interest rates (local interest expenditure— J\$2.5 billion above budget).

Below budget external interest expenditure (J\$809 million) and the government's below budget expenditure on programmes (J\$470 million) also helped to control total expenditure.

### BUDGET 2009/2010

The 09/10 budget has an estimated 19% growth in tax revenues; growth is forecasted at 11.6% without the inclusion of the government's revenue measures (natural “growth” of the economy) while the revenue measures are expected to increase the numbers by approximately J\$18.13 billion (7.3 percentage points). Capital Revenue is budgeted to increase to J\$20.3 billion due to sale of some government's assets, and grants are budgeted to increase to J\$10.2 billion.

On the expenditure side, the government has basically frozen wages (J\$115.2 billion) while interest expenditure is budgeted at J\$159 billion; capital expenditure is also budgeted to remain flat (J\$41 billion). Overall, our estimate indicates that the budgeted fiscal deficit target is approximately 5.3% of GDP.

**Budget Outlook** The government's projections for tax revenue growth seem somewhat optimistic in our opinion. An estimate for 19% growth in tax revenue in a year when the overall economy is projected to contract by 2.5% to 3.5% is a bit robust, especially when taken within the context of a global recession. We are also concerned about the projection for capital revenue (J\$20.3 billion); in an environment characterized by tight liquidity it should be difficult to offload government assets. Finally, the estimate for interest expenditure is also aggressive given that rates may not fall quickly.

### RATING ACTIONS

This year Jamaica experienced negative rating actions from all three major rating agencies, Standard & Poor's (S&P), Moody's and FITCH, for the first time since 2004. S&P changed Jamaica's outlook from stable to negative (maintaining the rating at “B”) on October 31, 2008 and finally downgraded the sovereign to “B- with a negative outlook” on March 18, 2009. Moody's acted on the heels of S&P, placing Jamaica's ratings on review for downgrade on November 4, 2008. Though they downgraded the sovereign to B2 from B1 on March 4, 2009, the outlook is stable. FITCH downgraded Jamaica on November 18, 2008 to “B” with a negative outlook and placed the changed ratings on review for a further possible downgrade. As of June 11, 2009, S&P maintained the sovereign rating of “B- with a negative outlook”.

The rationale given generally by all three rating agencies surrounded concerns about the depreciation of the currency, reductions in the NIR, the upward movement of interest rates and the impact that these negative movements had on the debt and Jamaica's capacity to make its debt service payments. From the perspective of the rating agencies, Jamaica's heavy debt burden and its capacity to service its debt on time and in full (make coupon payments) is the agencies' major concern.



**Outlook for Rating Action** Further negative rating action remains a strong possibility (60%) given that two of the three rating agencies (S&P and FITCH) currently have Jamaica on either a watch for a possible downgrade or a negative outlook. A downgrade would normally mean problems in terms of accessing capital on the international market (very high coupons or reduced demand), however the government's quick move to reopen borrowing arrangements with the multilaterals (particularly the IDB and IMF) has provided an alternate source of funding, thus mitigating the potential negative impact.

## GDP Growth and Industry Performance 2008-9

Calendar year GDP growth came in at -0.6% for 2008, the first time that Jamaica has experienced negative growth since 1998. The goods producing sectors (Agriculture, Mining, Construction, Manufacturing) declined by 3.0% while the services sectors (Finance & Insurance, Business, Distribution, Real Estate etc.) grew by a mere 0.3%.

A number of negative shocks affected growth. This included high global commodity prices (oil and fertilizer) for the first seven months of the year, which increased production costs and eroded the competitiveness of local produce. Once commodity prices began to fall precipitously because of the sub-prime led global slowdown, many industries suffered. Combined with the lingering effects of Hurricane Dean and Tropical Storm Gustav, Jamaica had a rough year.

**Remittances**, the major driver of consumer demand (approximately US\$2 billion annually) declined by 2.3% in October 2008 (compared to the similar month in 2007), 17.3% in November, 11.9% in December and 10% in January 2009. This is the first time since February 1998 that Jamaica has experienced four consecutive months of remittance inflow decline.

**Mining & Quarrying** of which Bauxite and Alumina is the major sub-sector grew by 1.1% in 2008. However for 2009 the sector is projected to decline. Bauxite and Alumina, which contributes in excess of 60% of Jamaica's total exports, is projected to decline significantly due to reductions in global demand and the consequent closure of Alpart and Windalco. This is further exacerbated by reductions in production by the St. Ann Bauxite Company and JAMALCO. According to the PIOJ the aluminium capacity cutback announced as at February 2009 was approximately 5.8 million tonnes per year or 11.8% of world capacity. Consequently, in excess of 300 jobs could be lost in the sector this year.

The **Financial Services** sectors were also negatively affected by reductions in global bond prices, falling equity indices and reduced access to global credit. Increases in local interest rates and currency volatility should act as a buffer for these sectors but overall growth should decline.

The **Distributive Trade** along with transport storage and distribution

should go the general direction of the rest of the economy. **Agriculture** should take a massive hit because of the job losses in the sugar industry (approximately 8,515 workers).

## GLOBAL GROWTH

Global growth is projected to decline by 1.3% in 2009:

- Growth in the major industrialized/advanced economies (G7) is projected to decline by 3.8%
- The economies of Jamaica's major trading partners, the USA, Canada and the UK, are projected to decline by 2.8%, 2.5% and 4.1% respectively.

Consequently, Jamaica's economic growth is projected to decline by between 2.5% and 3.5% in 2009. Though an overall contraction in the local economy is expected for 2009/10, the bright spots continue to be Tourism albeit with reduced revenues but increased arrivals, and Agriculture. As more Jamaicans turn to farming to augment their family diet and income, there is some potential upside here.

**“Given the objective facts that underpin 2009/10, all families, businesses and government entities must look for opportunities and make smart choices so that we may all come out stronger once this challenging period passes.”**



# EXECUTIVE TEAM LEADERS



**KEITH P. DUNCAN, CFA**  
Group Chief Executive Officer

Mr. Keith Duncan, known for his strategic thinking and visionary leadership, joined the Jamaica Money Market Brokers team as Trading Manager in 1994, leading and building one of the strongest Trading teams in Jamaica, and in 2000 he went on to become the Deputy Managing Director. In 2005, he was promoted to Group CEO of JMMB Ltd, after serving as President and Chief Operating Officer. 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. As Group CEO, he has helped to maintain JMMB's position as an industry leader committed to regional and international expansion. Mr. Duncan has brought his financial expertise not only to JMMB, but also to its subsidiaries and associate companies, and to the Jamaican economy.

Mr. Duncan is known for his commitment to youth development and to Jamaica. He is currently the Chairman of the Youth Empowerment Foundation of Jamaica and the National Youth Service (NYS). Mr. Duncan served as Chairman of the National Youth Service throughout the period 2003 and 2007 and was re-appointed as Chairman in May 2008. In this position, he works closely with the respective Boards and teams to fulfill the mission of creating and reforming Jamaica's youth to become purposeful citizens. Mr. Duncan is also quite active in the Jamaican financial sector. He is the former president of the Jamaica Securities Dealers Association (JSDA), and during his tenure he, along with his team, partnered with the Financial Services Commission (FSC) in designing and implementing new structures and models to enhance the effectiveness of the market players in Jamaica.

**DONNA DUNCAN-SCOTT, CFA**  
Group Executive Director of Culture and Leadership Development

Mrs. Donna Duncan-Scott initially wanted to be a social worker. However, with her proficiency in science, she studied Industrial Engineering at the University of the West Indies. She started as an Industrial Engineer with the government and later moved into Production Control at Goodyear. This sparked an interest in Operations Management, and as a result she pursued her MBA from the University of Western Ontario, Canada, and stayed on for her Chartered Financial Analyst (CFA) accreditation in 1999.

After a brief stint at Manufacturers' Merchant Bank, she joined JMMB in 1994. Joan Duncan, her mother and founder of JMMB, died in 1998, and Mrs. Duncan-Scott succeeded her as Managing Director, leading the company until December 2004. Under her tenure, she received several awards on behalf of JMMB as well as on her own merit, most notably the Jamaica Chamber of Commerce "Best of Chamber" award for 2000, the Jamaica Chamber of Commerce "Entrepreneurial Award" for 2001, and the "Business Leader of the Year" award for 2001, from the *Jamaica Observer*. Mrs. Duncan-Scott is a member of Jamaicans for Justice and has a passion for individual and social transformation in Jamaica.

Currently she leads the design and development of training modules to capture our unique culture that infuses our client service delivery and enables team cohesiveness. With a focus on leadership development and team well being, Mrs. Duncan Scott brings her distinctive energy.

Her motto is "We were born to manifest the glory of God, it is not just in some of us, it is in every one of us."

**JULIAN MAIR, BSc.**  
Group Investment Strategist

Mr. Julian Mair brings to JMMB over 14 years of experience in the local and regional financial services industry. Specifically as one of the first Primary Dealers, he played a significant role in the development of the Secondary Market in Jamaica. Over the years, Julian held positions at leading Jamaican financial institutions, including Head of Treasury and Investment Services at Dehning, Bunting and Golding (now Scotia DBG Investments) and Senior Trader and Cambio Manager at JMMB, and has consulted with various international financial institutions in structuring Global issues, primarily Government of Jamaica based. Under his leadership as Managing Director of Lets Investment Ltd., the boutique operation became a global player in the trading of Securities, and as such the capital base grew 6-times over.

Julian is a founding member of the Jamaica Securities Dealers Association and serves as a Director of the Board of the Jamaica Stock Exchange. He is also a Director of JMMB BDI America as well as a Director of JMMB Securities Ltd. Mr. Mair received his Bachelors degree in Finance from Howard University.

**CAROLYN DACOSTA, MBA**  
Group Compliance Manager and Company Secretary

Ms. Carolyn DaCosta, a Certified Internal Systems Auditor (CISA), joined Jamaica Money Market Brokers (JMMB) in February 1995 as a supervisor in the branch network, and subsequently held a number of managerial positions including; manager for our flagship branch, Island Life, Settlement Manager, and Technical Operations and Compliance Manager. On March 18, 2008, she was appointed as the Group's Company Secretary. She holds an undergraduate degree from the University of the West Indies and an MBA in Finance from Manchester Business School.

In her dual position as Group Compliance Manager and Company Secretary, Ms DaCosta has responsibility for the establishment, implementation and monitoring of the entity-wide compliance framework as well as the management of the Internal Audit process. She is also responsible for ensuring that Directors are appointed and inducted in accordance with proper procedure, including assessing the specific training needs of Directors and executive management. As well, she ensures that all relevant statutory and regulatory requirements of the company are in compliance with our specific business interests. In addition, she communicates with the shareholders, ensuring their needs are met, and acts as the primary point of contact for the company. She is a member of the St. Jago Past Students Association and a mentor for Youth Opportunities Unlimited (Y.O.U.).

**PATRICK ELLIS,**  
FCCA, FCA, CPA, MBA.  
Group Financial Controller

Patrick Ellis joined Jamaica Money Market Brokers Ltd (JMMB) in 2008 as Group Financial Controller. Prior to joining JMMB, Patrick was the Director in the Audit Assurance and Advisory Department at PricewaterhouseCoopers (PwC) where he had responsibility for a number of PwC's major audit clients in the financial and telecommunications industries, working with companies such as the National Commercial Bank, Pan-Jamaican Investment Trust, First Jamaica Investment, West Indies Alliance Insurance Company Limited and the Digicel Group.

As Lead Director at PwC, Patrick was responsible for updating and training staff and clients on the International Financial Reporting Standards (IFRS). He also worked on and managed numerous technical financial engagements including statutory financial audits, audit certification, management audits and management consultancy engagements. He was also responsible for special financial and compliance audits for both grantor and grantee organizations. A member of the Association of Chartered Certified Accountants (ACCA), and a Certified Public Accountant (CPA), Patrick is a Fellow of the Chartered Association of Certified Accountants (U.K.) and a Fellow of the Institute of Chartered Accountants of Jamaica.

# EXECUTIVE TEAM LEADERS



**KISHA ANDERSON, BSc.**  
Manager, Retail Services

Kisha Anderson joined Jamaica Money Market Brokers (JMMB) in February 1996 and has contributed to various areas of the JMMB operation, such as client service delivery, product administration, branch management and strategy development. As Manager for Retail Services, Kisha currently shares in the success of managing one of the largest retail client bases in the Securities Industry in Jamaica. Her team of Branch Managers ensures that frontline team members share in the development and execution of strategy, and that JMMB clients feel genuine care in our service and the value of our expertise in guiding their financial plans. As a member of the Executive Management team, Kisha is instrumental in developing the company's strategy. She is also a Director on the Board of JMMB Insurance Ltd.

Kisha holds a BSc. in Environmental Sciences from the University of the West Indies. Her contribution is defined by her innovative ideas and solution-oriented work ethic. With a warm and radiant smile, Kisha says everything she does is about serving the company's clients and the team that she leads. She approaches each day with an open mind because, as she puts it, "No two days are ever the same and everyday has in it a lesson!"

**PAUL GRAY, BSc.**  
Treasury and Trading Manager

Mr. Paul Gray joined Jamaica Money Market Brokers Ltd (JMMB) in 1998 as a member of the Accounting team. In early 2000, eager to pursue a career in Finance, he transitioned to the Trading team and embarked on a successful career in Asset Management and Trading. Mr. Gray is the current Head of Treasury and Trading and is responsible for the tactical management of interest rates, liquidity, foreign exchange, equity and fixed income trading.

He has over a decade of experience in the financial industry and has received varying professional training in derivatives, asset/liability and risk management. Mr. Gray is currently reading for his MBA in Finance with the Manchester Business School. He is a member of the company's Investment Committee and serves as Chairman of its Revenue Committee. Mr Gray was appointed to the Board of Directors of JMMB Insurance Brokers Limited in October 2006.

**JANET PATRICK, ACCA**  
Financial Controller, Planning and Budgeting

Ms. Janet Patrick served Jamaica Money Market Brokers Ltd. (JMMB) in the capacity of Chief Accountant from 1998 to 2007. In 2007, she began working in her present capacity, having had extensive experience in accounting and auditing.

Prior to coming to JMMB, Ms. Patrick worked with KPMG Chartered Accountants, where she was a member of the senior audit staff and worked on several special projects, including establishing the accounting functions of a leading securities firm in Jamaica. She is a Chartered Accountant and holds a Diploma in Business Administration (with a major in Accounting) from the University of Technology.

**SHELDON POWE, BSc., MSc.**  
Group Chief Information Officer

Mr. Sheldon Powe heads the technology team at JMMB, ensuring the company has robust and reliable systems that meet the ever growing demand for information processing. Mr. Powe manages JMMB's technology platform both locally and regionally, ensuring network security and reliability. He also oversees frontline applications including Moneyline, Electronic Transaction Machines (ETMs), Client Care Centre, and other in-branch transaction processing systems.

Mr. Powe has been with JMMB since 1997. He is a graduate of the University of the West Indies and has his Masters in Industrial and Systems Engineering from the University of Florida. He is a Certified Project Manager (PMP) and Information Systems Auditor (CISA).

**PATRICIA SUTHERLAND, BSc.**  
Executive Director, Business Operations and Manager, Group Strategy

Patricia first joined JMMB in 1994 as Operations and Human Resources Manager, whereupon she transitioned to consultant in 1999 as she pursued other opportunities. She, nevertheless, remained a key member of the JMMB team, as Project Manager for various initiatives, including JMMB's Initial Public Offering (IPO), and member of the acquisition team for Intercommercial Bank. Mrs. Sutherland re-joined the JMMB team in 2006 as the Executive Director of Business Operations, with the responsibilities of the Middle and Back Office operations, including Information Technology, Securities & Settlement and Operations Management departments. She also has responsibility for the Business Process Management Office (BPMP), driving the change management process to continuously address the existing and future business needs and objectives of JMMB. In February 2009, Mrs. Sutherland also assumed the role of Manager of Group Strategy, leading JMMB Group's strategic formulation, execution and management.

Prior to joining JMMB in 1994, Patricia worked with the ICD Group of Companies (now ICD Group Limited) as Operations Manager at Butterkist Limited for three years and as General Manager at HoFAB Limited for two years. Mrs. Sutherland, fluent in French, holds a BSc. in Pure and Applied Chemistry from the University of the West Indies (UWI), Jamaica. She is an active member of the Guild of Graduates, UWI (Mona), where she served as President from 1993 to 2005, and the Campus Council, UWI, of which she has been a member since 1993. Mrs. Sutherland is also a Director of the Board of the Jamaica Social Investment Fund (JSIF), the Government's leading social infrastructure support arm. She also serves as Director of JMMB BDI America as well as a Director of JMMB Securities Ltd.





SENIOR TEAM LEADERS



**DIANNE BOLTON**  
Credit Manager

**IMANI DUNCAN**  
Manager, Group Marketing  
Manager, Corporate Solutions



**DAMION BROWN**  
Risk Manager

**DENSIE ROBINSON**  
Group Middle Office Manager

**VAUGHN GENTLES**  
Financial Controller

**SASHA SHEEHY**  
Deployment Manager

**PETER THOMPSON**  
Manager, Group Product Portfolio

**DAWNEL THOMPSON**  
Process Development Manager



**ADRIAN A. STOKES**  
Senior Investment Manager

**KEISHA FORBES**  
Trading Manager

**JASON MORRIS**  
Senior Investment Strategist

**NERENE BROWN**  
Operations Manager,  
Retail Service Delivery

**CARL ALDRIDGE**  
Manager, Pension Funds Business Development

PRUDENT CHOICES • SUSTAINABLE PROFITABILITY

# MANAGEMENT DISCUSSION AND ANALYSIS

**Keith Duncan, CFA**  
Group CEO



POSSIBILITY THINKERS DEFINE A VISION & SET GOALS



PRUDENT CHOICES • SUSTAINABLE PROFITABILITY

# MANAGEMENT DISCUSSION AND ANALYSIS

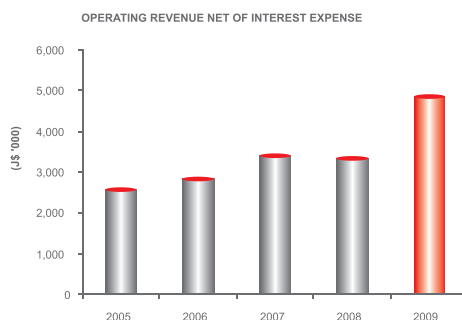
## 23% increase in operating profit for JMMB Group in a challenging year for the global and local economy.

We are very pleased with the strong results achieved for financial year ended March 31, 2009. In a year of challenges that arose in the international financial markets and the corresponding deleterious effect on the local economy, the JMMB Group successfully weathered the storm, generating profit before tax of J\$1.5 billion. This represents an increase of 23.1% over the previous year (2008 – J\$1.2 billion).



### OVERVIEW OF GROUP FINANCIAL RESULTS

- Operating revenue net of interest expense increased by 48.1% to J\$4.8 billion (2008 – J\$3.3 billion). This was driven largely by increase in securities trading and foreign exchange gains. These gains were partially offset by adverse variance on net interest

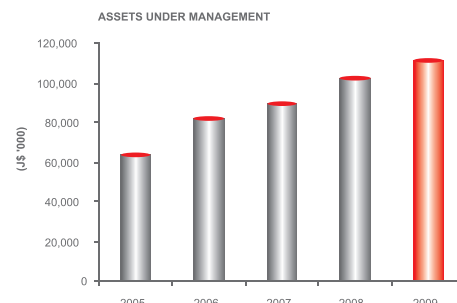


income (NII) of 11.8%, due mainly to higher funding costs on J\$ and US\$ portfolios.

- The increase in administrative costs (12.7%) over the year was in line with inflation (12.4%).
- The overall impact of increased revenue and efficiencies from operations resulted in J\$1.3 billion or 114.3% increase in operating profit.
- Our associated companies continue to

contribute favourably to our operating results, with an overall return of J\$351.1 million (2008 – J\$235.0 million) to the Group profit for the year.

- The year-to-date results also included two one-off events. The Group realised a gain from the sale of its 45% equity holding in the associated companies, Caribbean Money Market Brokers Limited, CMMB Barbados Limited and CMMB Securities Limited. In addition, there was prudent and conservative provision for the impairment of bond holdings in the Group's investment portfolio. Excluding these one-off events, the Group would have recorded a 125.8% growth in net profit compared to the prior year.
- For 2008/9, the total asset base of the Group increased by J\$8.8 billion (8.6%) to J\$111.2 billion.



The JMMB Group's ability to continue to produce positive financial results in this extraordinary economic environment is attributable to the:

- Loyalty and support of our valued retail and corporate clients demonstrated by the increase in their investments over the year;
- positivity, passion and commitment of our team members in support of each other, consistent identification of opportunities and delivery of excellent client care;
- resilience of our regional and business diversification in providing a platform for sustainable profitable growth; and
- trust, support and confidence of our shareholders.



## REGULATORY CAPITAL REQUIREMENTS

JMMB Ltd., the parent company, continues to exceed its regulatory capital requirements. The Company's capital to risk weighted assets ratio stood at 27.7% whereas the Financial Services Commission (FSC) benchmark stipulates a minimum of 14%. The Company's capital to total assets ratio was 7.7% whereas the FSC benchmark is 6%.

## PERFORMANCE OF BUSINESS LINES: JMMB JAMAICA

### INVESTMENT MANAGEMENT

This being JMMB's core business, we continued to grow our assets under management through three primary segments:

1. Retail clients;
2. Corporate/Institutional clients and growth of customized client portfolios (primarily pension funds); and
3. JMMB's proprietary portfolios.

### CREDIT

We continued to embed this fairly new business line, deliberately building out a sound credit portfolio. Our Credit product suite, which targets both Retail and Corporate clients, was launched in the previous financial year (Q3, 2007/8). For 2008/9, we focused on building the operational efficiency for the seamless delivery of our Retail credit products and Commercial Credit products to our client base across our islandwide branch network.

In light of the significant increase in interest rates and the difficult economic challenges which Jamaica and our clients face, we methodically looked to increase the credit quality of new loans. In order to maintain the credit quality of the existing portfolio, we also put in place resources to rigorously monitor the portfolio and importantly establish closer partnerships and increased dialogue with our existing clients, restructuring loans where necessary.

### INSURANCE

A strategic shift was made in the financial year, which saw our subsidiary JMMB Insurance Brokers (JMMB IB) shifting resources to the growth of our General Insurance Products and reducing our focus and resources allocated to Life and Health

and Employee Benefits.

Through our subsidiary JMMB IB we continued to build out our capability for the smooth delivery of our Insurance products. This was primarily done by the implementation of our service delivery platform, Broker 1, which will improve significantly the timely and efficient delivery of our General Insurance products.

### EQUITIES

JMMB Securities Ltd generated a profit in a very difficult environment, which saw the market lose almost half its value. This was a result of continued efforts to build out the operational efficiencies through the integration of front, middle and back office function within the parent company, JMMB Ltd. These efforts paid dividends, as we were able to grow our equity traded volumes and revenues year-over-year and reduce our operational costs.

## PERFORMANCE OF INTERNATIONAL SUBSIDIARIES AND ASSOCIATE COMPANIES

### JMMB IN THE DOMINICAN REPUBLIC

JMMB BDI America and JMMB Dominicana exceeded expectations and show a profit of US\$1.37million with Assets under Management of US\$34.8million.

In August 2008, the Repurchase Agreement product branded SURE INVESTOR was launched in the Dominican Republic. Approved by the local regulators, the product, based on the flagship Jamaican product, has been gaining significant market acceptance due to attractive returns and safety, being backed by Government and Central Bank paper of the Dominican Republic.

In-roads have been made into the market, with transaction volumes growing through our two (2) companies. Indeed, with increased market penetration of High Net worth, corporates and financial institution as client segment, the team in the Dominican Republic has built the solid foundation for accelerated and sustainable growth in the medium term. The best is yet to come from these institutions.

## INTERCOMMERCIAL BANKING GROUP (IBL)

As IBL celebrated its tenth year of operations, it produced profits before tax of TT\$9.7m in the very challenging economic environment which Trinidad and Tobago faces. Despite the difficult environment the Group was able to show a 32% increase over the comparative period after adjusting for extraordinary items. An important milestone for the year was the opening of IBL's signature full-service branch on the waterfront in Port-of-Spain.



Intercommercial Bank opens its Signature full service Branch on the waterfront in Port of Spain.

## CARIBBEAN MONEY MARKET BROKERS LTD.

In continuously applying strategic decision-making to maximize on opportunities, in September 2008 JMMB realized a significant return on investment from the sale of its minority equity holding in CMMB. After over a year and a half of negotiations **JMMB successfully sold it's 45% stake in CMMB Trinidad and it's 50% percent stake in CMMB Barbados for over J\$3 billion dollars having made an initial investment of only J\$112 million.**

## EFFECTIVELY MANAGING THROUGH CHALLENGES

### THE BACKGROUND

In September 2008, the world witnessed the global financial markets go into a free fall. This led to a liquidity and credit crunch which impacted the international and local financial markets, but also led to a fallout in economies globally pushing most, if not all, into a deep recession not seen since the Great Depression of the 1930s.

As a result, there was a decrease in the availability of liquidity triggering action of international financial institutions to pull funds from weaker credits, including emerging markets such as Jamaica.



In keeping with our strategy prior to this development, JMMB had diversified its Investment portfolio through the expansion of our International Portfolio. We invested in a range of international assets which we believed, and substantiated by international assessments, to be of significantly higher credit quality than our GOJ portfolio. This was purchased utilizing JMMB's own capital.

With the developments following the extraordinary dynamics in the international markets, we proactively chose to make a very prudent provision for these assets impacted by the global financial crisis. This provision eliminates uncertainties about financial assets exposed to the global financial crisis and furthermore, as it is very conservative, it leaves open the possibility for us to write back some of this provision in the future.

With the reduction in the broker funding for GOJ bonds, we had to make significant payments to these international financial Institutions. This placed JMMB in a greater than usual US\$ long position on its balance sheet. This led to a reduction in NII, which was offset by significant exchange rate gains as the Jamaican dollar lost over 20% of its value to its US\$ counterpart, as with most currencies globally.

### STRATEGIC RE-ALIGNMENT

In light of this significant change in the international and local landscape, JMMB's management team thought it prudent to review its strategy at that point in time. Given the 18-month outlook for the international and local economy and the changes that would undoubtedly impact our strategies, decisions were made to reduce operating costs and re-orient focus on areas of growth opportunities.

As our stakeholders would be aware, JMMB increased capacity to deliver certain business lines that were optimal under the conditions and projections of 2007/8 and into 2008/9. With the significant change in the economic conditions, certain business lines were no longer expected to move on the original growth trajectory. As such, the JMMB Group embarked on a strategic re-alignment process, which saw certain business lines being scaled down, a reduction in staff complement by 49 team members and other areas re-organized for efficiency. This was a difficult but necessary process, as prudent management dictates

that strategic planning be informed by the most up-to-date economic outlook. To do otherwise would be imprudent and compromise our obligations to all stakeholders – clients, team members and shareholders.

Indeed, it is testament to our brand values that the strategic re-alignment exercise was conducted with love and care for all members of the JMMB family and that communication was maintained throughout with our team, keeping them involved as far as possible.

The Credit and International Investments were scaled down as we determined that they would not be supported by a slowing economy globally and locally with high local interest rates. However, opportunities were identified on the investment management side of the business due to the availability of higher returns on fixed income instruments and as such that business line was ramped up. Importantly, we also continued on our growth path in the Dominican Republic, which rebounded very quickly from the global fallout.

### ENHANCING FUTURE SHAREHOLDER RETURN: SUSTAINABLE GROWTH THROUGH MARKET PENETRATION AND REGIONAL DIVERSIFICATION

The Jamaican economy will face major challenges in the short to medium term as it deals with the fallout from the global crisis. Given this economic outlook, detailed in the previous section – the Jamaica Business Environment – JMMB's strategic focus, to sustainably grow profitability and create long-term value, is driven by four imperatives:

#### 1. Grow our Investment Management Business and Deepen Market Penetration – an objective that we are positively positioned to achieve given our experience and expertise in this business line.

- a. For 2009/10, JMMB will continue to provide very competitive rates to its Retail and Corporate clients as we have always done. With interest rates on both J\$ and US\$ products being quite attractive, we provide investors with a real rate of return.

For JMMB's Own Portfolios, we will continue to reduce our US\$ long position and increase our Jamaican assets to an optimal level and consequently increase our NII.

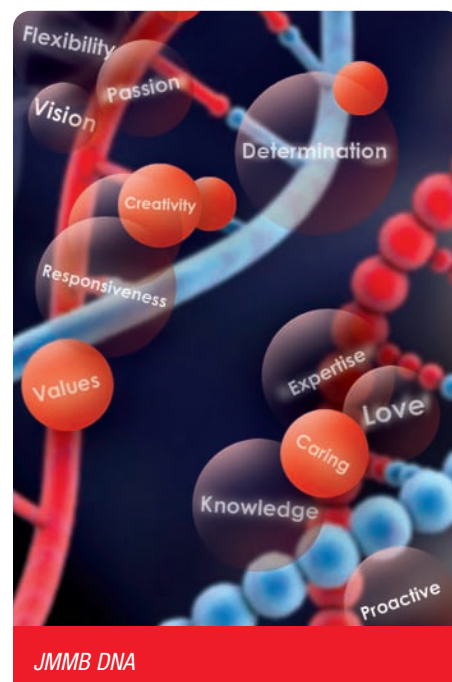
- b. JMMB is built on client intimacy and we pride ourselves in listening to our clients and providing them with best in class service and the right financial solutions. By learning from our clients and building on this strength we intend to methodically deepen our market share with our Jamaican Retail and Corporate clients.

#### 2. Expand Brokering Opportunities–

identifying, sourcing and packaging products and services to our client base to meet their holistic financial needs based on best-in-class and global availability.

#### 3. Continued Regional Expansion –

replicating the JMMB DNA in other territories through partnerships, mergers and acquisitions to successfully deliver the brand values and offerings through JMMB-style service – identifying opportunities and enabling our clients to make smart choices.



## INCREASED INVESTMENT MANAGEMENT BUSINESS

**JMMB's Retail Team** – Our retail team members continue to serve our clients in ways that make our clients feel understood and genuinely cared for through our multi-channel distribution network. Our thorough understanding and appreciation of client objectives at the various stages of their financial life cycle enables us to build trust and win their confidence as we meet more and more of their individual financial needs. We take a customized approach to each client anticipating and responding to their needs and continuously improving their service experience and building loyalty.



**JMMB  
the Smart  
Choice for  
Serious  
Savers**

This year, we will deepen our market share by successfully connecting with savers and demonstrating how our product suite enables them to achieve their goals. We will continue to grow by:

1. Educating Jamaicans on the benefits of the money market.
2. Promoting our increased access and the convenience of investing cash (J\$ and US\$) through our Electronic Transaction Machines (ETMs) – now in eight locations across Jamaica.
3. Continue to partner with our clients by helping them identify financial goals and support them by helping them

stick to their Financial Plan, make smart choices and seize opportunities.

4. Increase communication with our clients through outbound calling from our Client Care Centre, more frequent messages via e-blasts, newsletters and seminars based on client need, sharing excellent investment opportunities and strategies.

**JMMB's Corporate Solutions Team** – This newly expanded arm of our team is the coordinated point of contact for corporate and institutional clients. It leverages our in-depth knowledge and understanding of the financial markets, business fundamentals as well as JMMB's suite of corporate products and services to further our clients' profitable growth. To ensure JMMB brought distinctive value to this segment of the market, we developed a Business Diagnostics Approach, which facilitates a proactive, holistic approach to generating relevant financial solutions for our clients. By introducing this approach to companies and institutions we intend to;

1. Create long term partnerships with our clients to meet more completely their needs and facilitate their growth.
2. Increase our market share in this segment.
3. Increase volume of financing, capital markets and brokering arrangements.
4. Ensure a high rate of client satisfaction.

This being a new area of emphasis for JMMB, one pillar of our success will be our ability to consistently delivery corporate services across all channels of JMMB's distribution network in Jamaica and across the region.

### New Products and Services: Pension Investment Management and Administration

Having received our licenses as Pension Funds Investment Manager and Administrator in 2008/9, we began to build the client base providing investment expertise to companies with, or desiring of, a Superannuation Fund. With ease in reporting and cost-effective implementation, we have seen positive uptake in this new line of business. In January 2009, all relevant

regulatory approvals for our JMMB Retirement Scheme (JMMB RS) were received. Having developed and implemented the relevant systems and procedures for the efficient service delivery of JMMB RS, JMMB is now positioned to meet the retirement planning need of its extensive retail base.



CORPORATE SOLUTIONS

### BUSINESS LINES:

Investments

Cash Management

Treasury Management

Cambio

Commercial Loans

Corporate Finance

Portfolio Management

Pensions

Insurance

## INCREASED BROKERING BUSINESS

**Cambio** - Being the #2 Cambio Dealer in the Jamaican market, we will be looking to consolidate this position and increase market share through increasing awareness in the market place. We expect to build on a very successful year where we were able to earn J\$177M from our Cambio Operations.

**Insurance** - In the year ahead we will be aggressively promoting JMMB Insurance Brokers and its offerings as we look to penetrate the market beginning with JMMB Jamaica's client base. Our focus will be on General Insurance as we look to deliver value to our clients though lower premiums delivered in true JMMB-style.



JMMB's Dr. Marcia Whittaker and Mrs. Donna Duncan-Scott are filled with pride, as long-standing clients Mr. Derrick Reid and Mrs. Gwendolyn Mortimore cut the ribbon at the opening of our newly built branch in Mandeville.



POSSIBILITY THINKERS MAKE SMART CHOICES



## INCREASED REGIONAL BUSINESS

### JMMB Dominicana & JMMB BDI América

JMMB Dominicana will be aggressively pursuing new opportunities to expand its business and complement actual core brokerage activities by expanding geographically – into other cities and across market segments – by replicating our success in the Jamaican retail market in the Dominican retail market. We will be developing attractive Save Smart type products in Dominican Peso and US Dollar currencies, using a Mutual Fund structure approved by local regulators.

Our growth will also be fueled by our expansion across businesses with the acquisition of a Savings & Loans institution and the development of our Investment Banking unit, in keeping with our diversification strategy. Our diversification strategy has worked for us to date and we expect it will continue to yield sustainable profitability.

### Intercommercial Banking Group

Our clients in Trinidad and Tobago will have improved convenience and access as our current delivery channels will be further enhanced through Home Banking and the extension of Electronic Banking Services. Clients will be able to transact business using the LINX network by August 2009 and using the Internet by the end of 2009.

Additionally, the Intercommercial Banking Group will focus on identifying suitable locations across the East/West corridor and South Trinidad for build out of the branch network and our client base in the coming years.

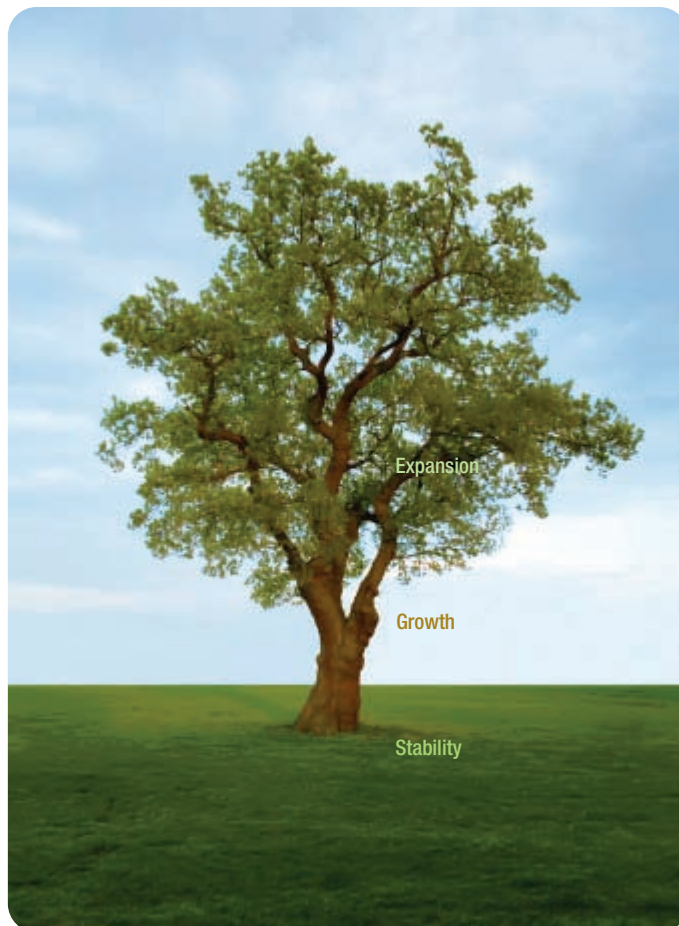
## LET'S BE POSSIBILITY THINKERS TOGETHER

In closing my report this year I wish to once again express my heartfelt appreciation to the dedicated JMMB team, our loyal clients, the Board of Directors and our shareholders. I am encouraged by the human spirit which teaches us to always seek ways to create a future better than our past, for the generations to come.

JMMB continues to choose to be a Company of Possibility Thinkers who learn from every situation and finds opportunities in all times. I am positive that in sharing this DNA we can partner with our clients for them to achieve their goals, served by happy team members while creating long term sustainable value for you our shareholders; win/win for all.

While we expect that our country, Jamaica, will face a difficult year, being possibility thinkers, we know that if we draw on our resilience as a people we can overcome the challenges. We also know that if we choose to, we can come together and through our collective creativity, dialogue and partnership, take action and create the Jamaica we all truly desire!

**“Our growth in the DR will also be fueled by our expansion across businesses with the acquisition of a Savings & Loans institution and the development of our Investment Banking unit, in keeping with our diversification strategy. Our diversification strategy has worked for us to date and we expect it will continue to yield sustainable profitability.”**



**Let's choose to be Possibility Thinkers now!**

## GROWTH THROUGH DIVERSIFICATION

## JMMB INSURANCE BROKERS LIMITED

JMMB Insurance Brokers Ltd (JMMB IB) is in its fifth year of operations. As we continue to expand our business, we have taken noteworthy steps towards implementing a focused growth strategy geared toward adding value for our clients, while generating a stable and profitable book of business.

**FOCUS ON GENERAL INSURANCE**

Accordingly, towards the end of the year we shifted our emphasis to General Insurance given the compatibility with the predominant needs of the significant retail client base of JMMB Jamaica. We have, at the same time, sought to strengthen our internal efficiencies and the structures necessary to deliver on our promise in true JMMB style. Hence, 2008/2009 was a watershed year for JMMB Insurance Brokers Limited.

While the focus is on General Insurance, we maintain our offering in terms of Life, Health and Employee Benefits as we remain equipped to provide insurance solutions that will preserve our client's investment value.

While we increased our revenue by some 53% over the previous year, we also realized a significant increase in our expenses, which is largely a reflection of the one-off costs associated with deliberate steps to scale back on the personnel. This re-orientation was pursued as the JMMB IB team was heavily skewed towards Life and Health insurance. Given the compelling fit with the wider JMMB Group business model, we sought to resource the team with the right talent to drive the General Insurance business.

**NEW TECHNOLOGY**

During the year we finalised the implementation of a new technological

platform, enabling us to significantly improve our service delivery to our clients while improving operational efficiency and realise savings. In addition, we have forged some valuable service alliances and expanded our pool of General Insurance providers, enabling us to provide a significant range of products and services as Broker in Jamaica to meet the insurance needs of the JMMB client base.

**GROWTH OPPORTUNITIES**

Going forward, we are excited by the prospect of combining all of our capabilities and delivering value not only to our clients but also to our shareholders. We will be aggressively promoting JMMB IB and its offerings as we seek to penetrate the market and position ourselves as a serious contender for General Insurance and Allied Insurance products and services.

As the groundwork is now complete, we want to acknowledge the partnership of all our stakeholders as we prepare for what we expect will be a turnaround year.

**“Going forward, we are excited by the prospect of combining all of our capabilities and delivering this value not only to our clients but also to our shareholders.”**



Cecile Cooper  
Managing Director





**Jesus Cornejo**  
Financial Advisor  
Corporate Clients

**Laura Aybar**  
Office Manager &  
Relationship Officer

**Guillermo Arancibia**  
Country Manager

**Veronika Ariza**  
Marketing Manager &  
Relationship Officer

**Curtis McDowell**  
Operations & Technology Head  
& Compliance Officer

## GROWTH THROUGH DIVERSIFICATION

# JMMB'S DOMINICAN REPUBLIC OPERATIONS

**J**MMB is building out its operations and effectively engaging target segments of the Dominican Republic market through its subsidiary companies:

- JMMB BDI América Puesto de Bolsa S.A
- JMMB Dominicana S.A.

### **JMMB BDI AMÉRICA PUESTO DE BOLSA S.A.**

Since its official launch in October 24, 2007, JMMB BDI América Puesto de Bolsa S.A. has been making significant strides in the Dominican Republic securities market. On August 1, 2008, the company successfully introduced its flagship repurchase agreement product, SURE INVESTOR in the Dominican Market, the first ever such product available in the Dominican Republic.

The **SURE INVESTOR** product was approved by the local securities

commission, Superintendencia de Valores de la Republica Dominicana (SIV), and has been enthusiastically and widely welcomed by our clients, due to its highly attractive interest rates, flexibility, and innovative features, backed by secure, approved securities. Several other product options are currently being evaluated for introduction into the Dominican market. Our current strategy, however, has been to focus primarily on promoting the Sure Investor product in order to ensure it is well ensconced in the portfolios of Dominican Republic investors, one of the largest markets in the Caribbean.

As our business expands, we continue to grow our team in a modular way based on business need and identified opportunity. Accordingly, our multinational team now consists of fifteen professionals with diverse experiences in financial services, tourism, technology and



commercial enterprises. This experience, along with a continual comprehensive training programme incorporating best practices of the JMMB Group allow us to design and improve our products and services to meet the financial needs of the Dominican Republic market, while achieving synergies and maintaining corporate standards of risk control, technology improvements and economies of scale.

#### JMMB DOMINICANA

During 2008/2009, JMMB Dominicana focused on developing its customer base with the main focal points on financial institutions, corporations and high net worth prospects.

Overall, we ended the financial year with an investment portfolio of USD\$ 34.8 million (DOP\$ 1,239 million, J\$ 2,666,028 million), mainly composed of securities of the Central Bank & Ministry of Finance of the Dominican Republic.

We adopted the VaR & Stress Test risk methodology, also utilized in JMMB Jamaica. This supported us in creating a balanced portfolio with an excellent risk profile.

Our funds under management (FUM) from local and international clients ended at USD\$ 30.4 million (DOP\$ 1,085.5 million, J\$ 2,328,944 billion).

Our audited financial statements for our two companies (JMMB Dominicana & JMMB BDI América Puesto de Bolsa) reflected net earnings for 2008/2009 of USD\$ 1.37 million (DOP\$ 48.6 million JA\$ 104,955,700 million), representing a 60% increase over budget.

#### GROWING THE CLIENT BASE AND EMBEDDING THE SECONDARY MARKET

We continue to grow and gain confidence from several market participants, including banks and other brokerage firms that are now included in our customer base. Of notable mention is the fact that in 2008 JMMB BDI América, being represented by Jesus Cornejo, assumed the position of Treasurer of the Board of Directors of the Asociación de Puestos de Bolsas (APB), the Dominican Republic equivalent of the Jamaican Securities Dealers Association (JSDA).

#### CORPORATE SOCIAL RESPONSIBILITY

JMMB BDI América, in association with Junior Achievement Dominicana, were also instrumental in providing support for the Stock Market Challenge. This included participants from over 10 high schools and large companies in Santo Domingo, with the event taking place for the first time in the Dominican Republic on January 28, 2009. The event was a tremendous success.

Our local partners in the Dominican Republic continue to be integral to the development of our franchise 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. In true JMMB style, we will continue to

maintain and enrich our long term alliance by working with our partners on developing new lines of business that bring value to our clients.

#### GROWTH OPPORTUNITIES

JMMB Dominicana will be aggressively pursuing new opportunities in the market to expand its business and complement actual core brokerage activities, including:

**Geographical Expansion:-** we will extend our geographic business scope to other cities in Dominican Republic including Santiago, La Vega, Romana, Bavaro & Puntacana, mainly.

**Retail Development:-** in order to replicate the success of our Retail business in Jamaica, we are developing Save Smart type products in Dominican Peso and US Dollar currencies, using a Mutual Fund structure approved by local regulators. These products will help us to offer attractive alternative investment options to the market.

**Acquisition of a Savings & Loans institution:-** this will help us to expand our sales channels so as to increase our overall spread by starting consumer lending activities, in addition to developing a Cambio business.

**Investment Banking unit:-** focusing mainly on corporation needs; we will develop this unit in order to offer integral advisory services for Mergers & Acquisitions, Asset Sales, Leasing and Overseas Investment opportunities. Since its creation in April 2009, we have actively signed contracts with recognized companies, both locally and internationally, that will result in successful deals in the following months. Our quality and fair price strategy in combination with our end-to-end deal overview have already helped us to gain confidence with our customers.

**“We continue to grow and gain confidence from several market participants, including banks and other brokerage firms that are now included in our customer base.”**





# INTERCOMMERCIAL BANK LIMITED



**Duane Hinkson**

Group Head Corporate & Investment Banking IBL & Managing Director ITMBL

**ES Mohan**

Group Director Risk

**Hugh Duncan**

Group CEO & Managing Director

**Gary Awai**

Group Treasurer

**V. Ravishankar**

General Manager, Retail & Commercial Banking

## GROWTH THROUGH DIVERSIFICATION

# INTERCOMMERCIAL BANK GROUP

JMMB IN TRINIDAD AND TOBAGO

**T**he past year, 2008/9, proved to be one of significant accomplishments for Intercommercial Bank Limited (IBL) as the bank celebrated its 10th anniversary and successfully expanded its branch operations, despite the highly challenging economic environment.

Of major significance during the year was the opening of a Signature branch at the Waterfront in the capital city of Port of Spain. This location houses the Retail, Commercial and Corporate Banking divisions as well as the relocated Intercommercial Trust and Merchant Bank Limited (ITMBL) and offers a full suite of banking services inclusive of Personalized Banking and ABM services under one roof. In keeping abreast with market developments and changes, IBL continues to upgrade its Information technology platform and

architecture, given that our previous year 'systems availability' factor recorded averages that were higher than industry benchmarks.

### SUSTAINABLE GROWTH IN PROFITABILITY

The IBL Group continued on its path of consecutive years of profitability by closing the year ended March 31, 2009 with a profit before tax (PBT) of TT\$9.7 million (US\$1.54 million). This creditable performance was achieved in a challenging year for financial markets, which saw negative returns on portfolios resulting from decline in equity and bond prices as well as increase in non-performing assets. Despite the negative impact, this year's PBT represented a 32% increase over the comparative 12 month performance after adjusting for extraordinary items. Although the Group continues to be challenged with excessive liquidity in a



## INTERCOMMERCIAL BANK LIMITED

declining credit demand environment, Net Interest Income (NII) represented 52% of operating income and closed marginally higher than the prior comparative period by 3%. Operating expenses continued to be effectively managed within a 9% increase arising out of expenditure related to continued infrastructure build out at existing locations, as well as at its newest location in the capital city of Port of Spain.

Despite the decline in credit demand and a highly liquid market, the Group's gross loans and advances portfolio increased year-on-year to TT\$424 million (US\$67.3 million) from TT\$417 million (US\$65.8 million). Total assets closed at TT\$968 million (US\$153.6 million) declining marginally from the prior balance sheet date, which resulted from the curtailment of short term investment activities as part of the proactive investment strategy, given the change in the financial landscape.

### RISK MANAGEMENT AT THE FULL-SERVICE BANKING GROUP

On a continuous basis, IBL reviews and enhances its Compliance and Enterprise Risk Management framework and architecture in accordance with international best practice. The review and upgrade of several guiding policies and procedures throughout the Group are undertaken in an effort to proactively mitigate against adverse economic challenges and ensuring the sustainability of the business in the long run.

The IBL team grew by over 100% during the period 2004 – 2009, with current headcount being 156 distributed over our three locations. Continuous personnel and professional development is facilitated through coaching, on-the-job training, courses, seminars and workshops (internal and external) and memberships to professional organizations. Consistent with IBL's thrust to create a sales oriented business culture, we invested in sales training for Origination personnel on the theme "Solid Gold Selling".

### CORPORATE SOCIAL RESPONSIBILITY

Over the years, IBL has partnered with a division of the Ministry of Education to host the Annual National Primary School Mental Mathematic Marathon as well as to provide financial contribution towards the payment of teachers' salaries at the Sri Dattatreya Yoga Centre. We are of the view that education will improve the opportunities available to the children of our nation and enhance their propensity for success. In 2008/9, IBL's reach to the community was expanded through sponsorship of two rest stops at strategic locations in Chaguanas and Marabella. Coupled with this venture IBL continues to provide support in several community and social events which enhance the lives and provide educational opportunities for young people.

## GROWTH OPPORTUNITIES

In fulfilling the organization's strategic vision, plans for the coming year will be focused on the identification of suitable locations across the East/West corridor and South Trinidad for build out of the branch network – at the appropriate time.

Delivery channels will be further enhanced through Home Banking and extension of the Electronic Banking Services. The Acquirer business for VISA products and LINX network membership are scheduled to be completed by August 2009 with the launch of Internet Banking Service to IBL's client base targeted for the third quarter 2009.

The IBL Group is privileged to have a distinguished and experienced Board of Directors to offer strategic guidance to our leadership team, who are ably supported by a dedicated team of people that manage the everyday business of our institution.

Again we are pleased to have opened our signature branch in this our 10th year and look forward to the next 10 years of sustainable growth and profitability. We thank all our stakeholders, including our valued customers, shareholders, suppliers and team members for their support throughout this extraordinary year, and look forward to ever-improving and deepening existing partnerships and the establishment of new ones.

**“Again we are pleased to have opened our signature branch in this our 10th year and look forward to the next 10 years of sustainable growth and profitability. We thank all our stakeholders, including our valued customers, shareholders, suppliers and team members for their support throughout this extraordinary year...”**





## TEAM PICTORIAL

1. JMMB Team gives Thanks at 2008 Thanksgiving Service
2. Joan & Donna nominated for First Global's Women of Vision Award
3. JMMB Divas versus JMMB Dolls
4. JMMB in the Olympic spirit
5. Possibility Thinkers re-energise after Sigma Run
6. JMMB Corporate Team first again at Reggae Marathon
7. Systems Team win Inter-departmental Competition
8. Group CEO finishes Reggae Marathon in fine form
9. Trading Team at your service on Doubles Day
10. JMMB Team represents at Relay for Life
11. Opening number at JMMB Sports Club Christmas Celebration





**POSSIBILITY THINKING  
BENEFITS OUR CLIENTS**



LOVE MOTIVATES THE JMMB TEAM TO  
SERVE OUR CLIENTS

## CLIENT INTIMACY: THE HEART OF JMMB

Client Intimacy continues to be JMMB's key strategic pillar and value proposition. With this, our overarching objective is for our clients to feel, experience and express the view that **"JMMB delights me and has my best interest at heart."**

Our Client Intimacy Group (CIG) plays a key role in ensuring we maintain our focus on this strategic objective and that the JMMB team executes and delivers exceptional service. During 2008/9, the CIG implemented client surveys, examined feedback channels for effectiveness and revised service standards for company responsiveness, to ensure clients are heard and responded to with appropriate urgency. Client feedback receives attention through our continuous improvement processes, resulting in the enhancement of several systems and procedures.

### Best Interest At Heart

For example: the Corporate Solutions Team developed the JMMB **Business Diagnostics approach**, facilitating a better understanding of our clients' needs and allowing us to proactively provide customized solutions for their success and growth.

### CUSTOMER SERVICE WEEK 2008

To create greater company awareness on the importance of providing exceptional client care, the Culture and Leadership Development team organized JMMB's third Customer Service Week celebration in October 2008, having been the first local company to participate in this international event in 2006.

During Customer Service Week 2008, JMMB recognized, celebrated and rewarded its team for providing excellent internal and external client care by creating client-focused activities, and distributing tokens and prizes with client care tips and

messages across the company. Clients visiting during this time thoroughly enjoyed the fun atmosphere and extra special care.

Through the Jamaica Customer Service Association's (JaCSA) efforts, Customer Service Week received the Governor General's approval for celebration at the national level and JaCSA launched their "Delight Plan Award" competition. JMMB participated in and won the award for "Most Innovative Plan for Implementation and Celebration of National Customer Service Week", much to our delight.



Marguerite Sequeira-Lee (2nd right) accepts award for Most Innovative Plan from JaCSA

### POSSIBILITY THINKING: JMMB'S CONTRIBUTION TO THE NATIONAL DIALOGUE

Through our "Possibility" campaign, launched in January 2009, JMMB is committed to partnering with our clients and all of Jamaica through this challenging time. Given the foreseeable difficulties over the medium term for the global and local economy, the JMMB team is encouraging Jamaicans to remember who we are as a people – people of resilience, courage, faith and vision – Possibility Thinkers. JMMB, as a company of Possibility Thinkers, will partner with our clients, helping them to Make Smart Choices by seizing excellent investment opportunities and successfully move through this challenging period. Adopting this approach will be critical in helping us to realize our dreams.

### DEEPENING CLIENT RELATIONSHIPS

JMMB will be embarking on several initiatives across the company that will be further driven by client intimacy. Our strategies will be centered on meeting our clients' needs, creating lifetime partnerships, while we continue to financially empower them to achieve their goals and dreams.

Together with our retail and corporate networks, we are exploring new possibilities for our clients, backed by solid financial planning, smart choices, safe investments and excellent returns. We will seek win-win solutions and deliver excellent client care, the JMMB way.

In partnership with our clients, we choose to be **Possibility Thinkers in 2009!**

### What our clients are saying about us:

- "Your word is your bond."
- "I love my JMMB!"
- "JMMB people walk like they have life in their bodies."
- "Every time I come here I feel like sunshine has entered my life..."
- "WOW experience... courteous...you are a joy to interact with...expertise in financial advice."
- "Mrs. Duncan would be proud of the legacy she left behind."



LOVE MOTIVATES THE JMMB TEAM TO SERVE  
OUR CLIENTS

## OUR CLIENTS' EXPERIENCE

Ermine Foster  
Principal

### "THEY TAILOR A PLAN FOR YOU"

"JMMB is a community organization; it is wonderful when an organization is committed to giving back to the community. In terms of investments they offer hope and guide you to

choose the right products, they explain to you and show you how and why, and they tailor a plan for you... and because of this I am able to face my bills in a confident way...JMMB is conscious that there is a down turn in the economy, but here is an organization that brings some level of hope; a hope that with all that is going on, we can succeed."

Marie Sparkes  
Social Worker  
Consultant

### "MY FIRST MONEY FOR THE MONTH GOES TO JMMB.."

"I am a serious saver, even in this really difficult climate. My first money for the month goes to JMMB and that is my savings. I use to think

about savings like paying a bill...now I see it as doing something good for me.

I was introduced to The sure Advanced product which allowed me to borrow against my own money.. I was like WOW I can borrow against my own money? We got to work straight away. I find the staff at the Mandeville Branch so patient, as you try and understand the Jamaican business climate."

Eunice Blake-Brown  
Teacher

### "WITH THEM I HAVE MADE GREAT STRIDES"

"The ambience, the climate, the people I met at the Ocho Rios Branch were so loving, so nice.. The first time I went

there, I said to the young lady, "I need to hear from you.. what is your relationship with money and what is your financial status?"...I said, "don't be offended", she said "no, no" ...She went on the system and she invited me to walk through with her, and she showed me, and then, I was very comfortable because I felt that I could trust this person as she had a good relationship with money and therefore could help me develop a relationship with my money. During the 8 months I have been with them I have made great strides, greater than the period of time that I have been with other financial institutions."

Cynthia Aikman  
Registered Nurse

### "THEY HAVE HELD MY HAND AND CARRIED ME"

"I found JMMB through a friend who recommend JMMB because of their personal touch, and since I have joined it's almost like family. I feel they have held my

hand and carried me in ways that I did not get from other financial institutions that I have been with before."

Janet Malcolm  
Entrepreneur,  
Accountant

### "THEY HAVE REALLY BEEN THERE ALONG THE WAY."

"I continue to save with JMMB for many reasons, it is extremely convenient, there is a relationship that allows me to explain my

particular situation and they react almost immediately. If I have a business venture that I need to go into I might not indicate the details but certainly the financing aspect of it and they can react based on the products that they have available. The most recent one was using your actual funds for loans which assisted me with doing certain things with my business and.. I still had my savings. ...they have assisted me along the way since 2005 and it is now 2009 and I am comfortable to say they have really been there along the way."

Nicole Scott-Bonnick  
Lawyer

### "THEY UNDERSTAND THE PRESSURE THAT SMALL BUSINESSES FACE..."

"What JMMB has done is provided us with encouragement and financing as we expanded our business JMMB provided

us with financing when we built our head offices in May Pen. They were very supportive. They understand the pressure that small businesses are under and they work with you. At no time did we feel stressed at the end of each month by them and I really like that."

Dr. Neville Graham  
Medical Practitioner

### "YOU CAN BUILD"

"When we just started out with our medical center, we were able to save our money as a group with an interest earning investment and when the bills

came we were able to pay them based on the interest we earned, so each time we were to pay our bills, we went to JMMB, looked at the extra we had, and payed our bills and when the cost escalated we could still survive. This is a good measure of how you can build while using capital from your own savings, and JMMB is excellent with that."

Stephen Steele  
Entrepreneur

### "IT'S A WIN/WIN SITUATION."

"They provide a medium for saving and investing. It is a client based operation that is really interested in the client. It is a symbiotic relationship and as JMMB grows and makes money you can grow and make money. It is a win/win situation."



SEIZE EXCELLENT INVESTMENT OPPORTUNITIES

LOVE MOTIVATES THE JMMB TEAM TO  
SERVE OUR CLIENTS

## BRANCH MANAGERS



### ROCKANN LEE-CRAWLE

Branch Manager, Haughton Terrace  
5 Haughton Avenue  
Kingston 10



### LORNA HALL

Branch Manager, Montego Bay  
Shop 19  
Montego Bay Shopping Centre  
Montego Bay, St. James



### FORNIA YOUNG

Branch Manager, Knutsford Boulevard  
11 Knutsford Boulevard  
Kingston 10



### HORACE WILDES

Branch Manager, Ocho Rios  
2 Milford Road  
Ocho Rios, St. Ann



### TEVERLEY GRAY

Branch Manager, Portmore  
47-48 West Trade Way  
Portmore, St. Catherine



### JACQUELINE MULLINGS

Branch Manager, May Pen  
Shop 28B  
Bargain Village Plaza  
35 Main Street  
May Pen, Clarendon

Branch Manager, Santa Cruz  
Shop #2  
2 Oasis Plaza, Coke Drive  
Santa Cruz, St. Elizabeth



### MARCIA WHITTAKER, PhD.

Branch Manager, Mandeville  
11 Ward Avenue  
Mandeville, Manchester



### JOAN EDWARDS

Manager  
Personal Portfolio  
Management Centre  
JMMB Head Office  
6 Haughton Terrace  
Kingston 10



**CORPORATE INFORMATION •**

**STOCKHOLDINGS •**

**AUDITOR'S REPORT •**



# CORPORATE INFORMATION

## CORPORATE DATA

### Registered Office

6 Haughton Terrace  
Kingston 10  
Tel: 876 920-5040-1, 876 998-5662  
Fax: 876 926-3685

### Registrar & Transfer Agent

KPMG Regulatory & Compliance Services  
The Victoria Mutual Building  
6 Duke Street  
Kingston, Jamaica

### Bankers

National Commercial Bank Jamaica Limited  
RBTT Bank Jamaica Limited  
Citibank, N.A.

### Attorneys-at-Law

Harrison & Harrison  
16 Hope Road  
Suite #1  
Kingston 10, Jamaica

Hart Muirhead Fatta  
2 St. Lucia Avenue  
Kingston 5, Jamaica

### Internal Auditors

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

### External Auditors

KPMG – Chartered Accountants  
The Victoria Mutual Building  
6 Duke Street  
Kingston, Jamaica

## JMMB BRANCH LOCATIONS

### Client Care Center

Client Care: 1 876 998-5662  
Toll free: 1 876 998-JMMB (5662)  
From the USA and Canada: 1 877 533-5662  
From the UK: 0 800 404-9616  
**Opening Hours:** Mondays – Fridays 8:00 AM – 7:00 PM  
and Saturdays 9:00 AM – 7:00 PM

### Kingston, Haughton Branch

5 Haughton Avenue  
Kingston 10  
Tel: 876 920-5050  
Fax: 876 920-7281 or 998-9380  
**Opening Hours:** Mondays – Fridays 8:30 AM – 4:00 PM  
**Drive-thru** Mondays – Fridays 9:00 AM – 5:00 PM  
Saturdays 10:00 AM – 2:00 PM

### Kingston, Knutsford Branch

11 Knutsford Boulevard  
New Kingston  
Kingston 5  
Tel: 876 926-3684  
Fax: 960-3927 OR 998-9380  
**Opening Hours:** Mondays – Fridays 8:30 AM – 4:00 PM

### Ocho Rios Branch

2 Milford Road,  
Ocho Rios, St. Ann  
Tel: 876 795-3651 or 876 795-3627  
Fax: 876 795-3886  
**Opening Hours:** Mondays – Fridays 9:00 AM – 4:00 PM

### Portmore Branch

47-48 West Trade Way  
Portmore Town Centre  
Portmore, St. Catherine  
Tel: 876 939-3205  
Fax: 876 939-3207  
**Opening Hours:** Mondays – Fridays 10:30 AM – 6:00 PM  
Saturdays 10:30 AM – 2:00 PM

### Mandeville Branch

23 Ward Avenue  
Mandeville  
Tel: 876 625-2351  
Fax: 876 625-2352  
**Opening Hours:** Mondays – Fridays 9:00 AM – 4:00 PM

### Montego Bay Branch

Shop 19  
Montego Bay Shopping Centre  
LOJ Complex, Howard Cooke Boulevard  
Montego Bay, St. James  
Tel: 876 979-6052  
Fax: 876 979-1566  
**Opening Hours:** Mondays – Fridays 9:00 AM – 4:00 PM

### May Pen Branch

Shop 28B, Bargain Village Plaza  
35 Main Street  
May Pen, Clarendon  
Tel: 876 786-0101  
Fax: 876 786-3660  
**Opening Hours:** Mondays – Fridays 9:00 AM – 4:00 PM

### Santa Cruz Branch

Shop # 2 Oasis Plaza, Coke Drive  
Santa Cruz, St. Elizabeth  
Tel: 876 966-2512  
Fax: 876 966-9816  
**Opening Hours:** Mondays – Fridays 9:00 AM – 4:00 PM

## 24-Hour ETM Locations

- Constant Spring
- Haughton Terrace (Kgn)
- Knutsford Boulevard
- Mandeville
- May Pen
- Montego Bay
- Ocho Rios
- Portmore

### Online

Email: [info@jmmmb.com](mailto:info@jmmmb.com)  
Web: [www.jmmmb.com](http://www.jmmmb.com)

## SUBSIDIARIES

### JMMB Securities Limited

6 Haughton Terrace  
Kingston 10  
Tel: 876 920-5040-1, 876 998-5662  
Fax: 876 960-8106  
**Opening Hours:** Mondays – Fridays 8:30 AM – 4:00 PM  
Website: [www.jmmmbsecurities.com](http://www.jmmmbsecurities.com)  
Email: [info@jmmmbsecurities.com](mailto:info@jmmmbsecurities.com)

### Board of Directors

Dr. Noel A. Lyon  
Archibald A. Campbell  
Donna K. Duncan-Scott  
Julian Mair  
Keith P. Duncan  
Patricia Sutherland  
Carolyn Dacosta, Company Secretary

### JMMB Insurance Brokers Limited

3rd Floor  
11 Knutsford Boulevard  
New Kingston  
Kingston 5  
Tel: 876 920-5040-1  
Fax: 876 960-3927 or 876-998-9380  
**Opening Hours:** Mondays – Fridays 8:30 AM – 4:00 PM  
Website: [www.jmmbinsurance.com](http://www.jmmbinsurance.com)  
Email: [info@jmmbinsurance.com](mailto:info@jmmbinsurance.com)

### Board of Directors

Dr. Noel A. Lyon  
Archibald A. Campbell  
Donna K. Duncan-Scott  
Cecile Cooper  
Keith P. Duncan  
Kisha Anderson  
Paul Gray  
Carolyn Dacosta, Company Secretary

### JMMB BDI America Puesto de Bolsa

Acropolis Center  
Winston Churchill Avenue, 12th Floor  
Santa Domingo, Dominican Republic  
Tel: 809 566-JMMB (5662)  
Fax: 809 620-JMMB (5662)  
Website: [www.jmmbdb Dominicana.com](http://www.jmmbdb Dominicana.com)

### Board of Directors

Dr. Noel A. Lyon  
Keith P. Duncan  
Julian Mair  
Patricia Sutherland  
Donna K. Duncan-Scott  
Jose de Moya – Secretary  
Ferrando Baquero – Treasurer  
Roberto Jimenez Collie  
Guillermo Arancibia – Country Manager

## ASSOCIATED COMPANIES

### Intercommercial Bank Limited

DSM Plaza Old Southern Main Road  
Chaguanas  
Trinidad and Tobago  
Tel: (868) 665-4425  
Fax: (868) 665-6663  
Website: [www.ibltd.com](http://www.ibltd.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 2009

10 LARGEST STOCKHOLDERS

CLICO INVESTMENT BANK LTD	450,629,764
TRUSTEES JMMB ESOP	158,048,562
COLONIAL LIFE INSURANCE CO LTD	137,281,664
CONCISE O.N. LTD	64,469,343
CONCISE A.V. LTD	62,469,342
CONCISE E.I. LTD	62,461,633
CONCISE R.I, LTD	60,961,632
JVF O.N. LTD	52,337,543
JVF E.I. LTD	50,707,741
JVF R.I. LTD.	50,707,741



STOCKHOLDINGS  
OF SENIOR  
MANAGERS

SENIOR MANAGERS	PERSONAL STOCKHOLDINGS	CONNECTED PARTY
Donna Duncan-Scott	ESOP	ALWYN SCOTT JVF O.N. LTD CONCISE O.N. LTD
Keith Duncan	ESOP	CONCISE E.I. LTD JVF E.I. LTD
Cecile Cooper	ESOP	
Sheldon Powe	23,000	
Carolyn DaCosta	1,021,430	
Kisha Anderson	1,000,000	
Paul Gray	658,507	
Julian Mair	212,500	
Patrick Ellis	NIL	
Patricia Sutherland	ESOP	JVR R.I. LTD CONCISE R.I. LTD
Hugh Duncan	NIL	

STOCKHOLDINGS  
OF DIRECTORS  
AND CONNECTED  
PARTIES

Noel A. Lyon	NIL 47,420,340 48,707,741 10,000	GRACELYN O.E. LTD JVF O.E. LTD NICOLE LYON
Donna Duncan-Scott	ESOP 28,548 52,337,543 64,469,343	ALWYN SCOTT JVF O.N. LTD CONCISE O.N. LTD
Archibald Campbell	18,400 344,827	ODETTE CAMPBELL
Keith P. Duncan	ESOP 62,461,633 50,707,741	CONCISE E.I. LTD JVF E.I. LTD
V. Andrew Whyte	NIL	
Wayne Sutherland	NIL 62,061,632 50,707,741	CONCISE R.I. LTD JVF R.I. LTD
Ram Ramesh	4,226,887	
Dennis Harris	NIL	
Dr. Anne Crick	5,000	
Hugh Duncan	4,828	
Rodger Braham	NIL	





**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  
 e-Mail 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 accompanying consolidated financial statements of Jamaica Money Market Brokers Limited and its subsidiaries, and the accompanying financial statements of Jamaica Money Market Brokers Limited standing alone, set out on pages 49 to 124, which comprise the consolidated and company balance sheets as of 31 March 2009 and the consolidated and company profit and loss accounts, statements of changes in stockholders' equity and cash flow statements for the year then ended, 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 with the requirements of the Jamaican Companies Act. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and 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 as to 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 auditors' judgement, 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 auditors consider internal control relevant to the entity'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 entity's internal control. 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 and a member firm of the KPMG network of independent member firms affiliated with KPMG International, a Swiss cooperative.

Elizabeth A. Jones  
 Caryl A. Fenton  
 R. Tarun Handa  
 Patrick A. Chin  
 Patricia O. Dailey-Smith

Linroy J. Marshall  
 Cynthia L. Lawrence  
 Rajan Trehan  
 Norman O. Rainford  
 Nigel R. Chambers





To the Members of  
JAMAICA MONEY MARKET BROKERS LIMITED

**Report on the Financial Statements, cont'd**

***Opinion***

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the group and the company as of 31 March 2009, and of the financial performance, changes in stockholders' equity and cash flows of the group and the company for the year ended, so far as concerns the members of the company, in accordance with International Financial Reporting Standards and the requirements of the Jamaican Companies Act.

***Report on Other Legal and Regulatory Requirements***

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.

A handwritten signature in black ink, appearing to read 'KPMG'.

May 29, 2009