JAMAICA MONEY MARKET BROKERS

ANNUAL REPORT 2010

BUILDING GENUINE RELATIONSHIPS
PROVIDING EXPERTISE
POWERFUL LONG-TERM RESULTS

LET'S BE POSSIBILITY THINKERS NOW

ANNUAL REPORT 2010

JMMB

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LET'S BE POSSIBILITY THINKERS NOW

Genuine Relationships • Expertise • Powerful Long-Term Results

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Genuine Relationships · Expertise · Powerful Long-Term Results

Our Legacy • Our Future

Genuine Relationships

At JMMB, we have our clients' Best Interest At Heart. Full Stop.

Our co-founder Joan Duncan had an extraordinary vision to open the Money Market in Jamaica and create a business based on a **Vision of Love.** She revolutionized the financial landscape which opened the doors to the Money Market for Jamaicans of all walks of life and companies of all sizes, to create wealth.

She reinvented the way a company succeeds by operationalizing the values of **Love, Honesty** and **Mutual Respect.** Joan created an environment where clients, team members and shareholders could achieve their dreams.

Over the past 17 years, our team has taken the time to understand the aspirations, goals, constraints and challenges of our clients. In understanding more and more of our clients' needs

- Retail
- Corporate, and
- Institutional

we have expanded our products and services to more effectively partner with our clients to enable them to meet their goals.

We listen carefully to ensure requests are processed accurately and in a timely way, and develop financial plans suited to their specific needs. At JMMB, our clients aren't just numbers - **our clients are members of the JMMB family.**

Expertise

As pioneers in the Money Market with continuous innovation, our proven track record is based on applying sound research knowledge and investment expertise to the benefit of our clients and shareholders, and indeed the Jamaica economy. Our highly trained and certified team works consistently in managing investment portfolios, including pension funds, as well as analyzing local, regional and international market dynamics. They also identify opportunities to enable the wider JMMB team to provide our clients with excellent investment recommendations and financial planning advice to help them make Smart Choices.

As the JMMB Group has expanded business lines in Jamaica as well as operations regionally, so has the cadre of experts expanded as well in the areas of consumer and commercial loans, structuring, equities, and insurance.

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Powerful Long-Term Results

The combination of genuine partnerships and applied expertise has enabled the JMMB Group to establish itself as one of the leading indigenous financial services institutions in the Caribbean, serving over **167,000 clients regionally, with over 155,000 in our home base of Jamaica.** In just 17 years, JMMB has:

- Total Assets Under Management of over J$122 billion
- Expanded from one main business line (fixed income investments) to six business lines:

  • Loans • Pensions • Equities
  • Insurance Brokerage • Credit • Cambio

- Established a regional footprint with a commercial and merchant bank in Trinidad & Tobago and a brokerage house in the Dominican Republic, with more opportunities on the horizon

As we embark on a new decade of the 2nd millennium, JMMB stands proud of the achievements to-date but more importantly looks to the future with optimism that is grounded in a powerful client base and rigorous applied expertise. For FY 2010/11, the JMMB Group has established a strong baseline for growth and is ready to continue to take Possibilities into Action.

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Chairman & Group CEO's Report

Noel A. Lyons, PhD, Chairman

Keith Duncan, CFA, Group CEO

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EXPERTISE •
POWERFUL LONG-TERM RESULTS

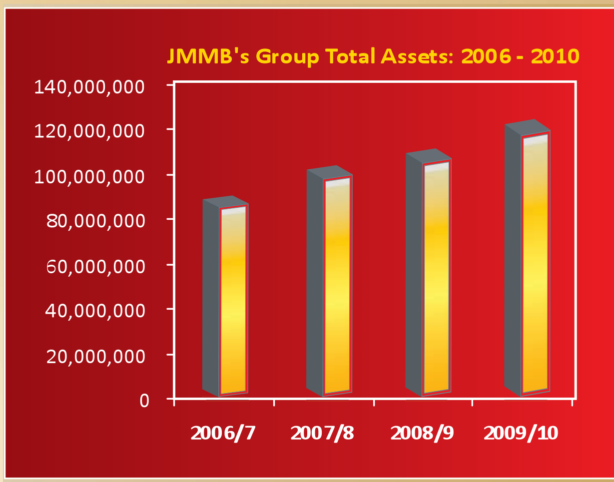
Chairman and Group CEO's Report: JMMB Group Performance

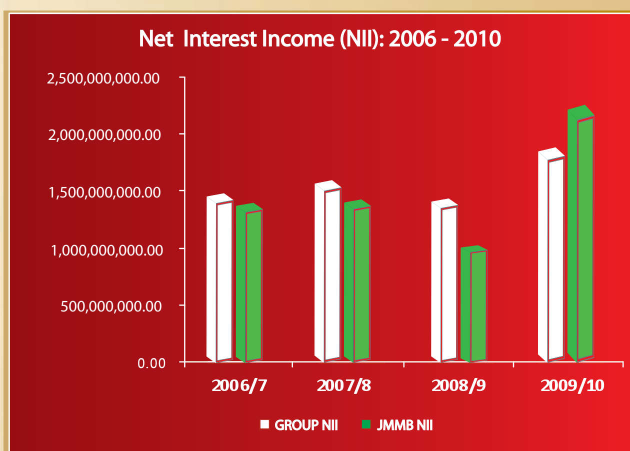
After successfully navigating an extremely volatile 2008/9 Financial Year (FY) and notwithstanding the significant challenges of the FY 2009/10, the JMMB Group continued on a sound path, placing core revenues on a sustainable upward trajectory by leveraging its financial expertise and implementing key strategic initiatives. These efforts yielded solid results, generating a net profit of J$986.4 million for the year ended March 31, 2010 continuing the trend of consistent and increased quarterly growth. Indeed, Fourth Quarter (Q4) generated the highest quarterly profits, growing by 17.7% over the third quarter.

Total assets across the Group grew by J$11.8 billion or 10.6% for the year, moving from J$111.2 billion as at March 31, 2009 to J$123.0 billion. This significant increase was funded mainly by growth in our retail and corporate client investments in Jamaica, which generated an increase in client Funds Under Management (FUM) of 8.98% year-on-year.

The growth in retail and corporate investments even in the face of economic difficulties indicates an increasing number of clients continue to find great value in our investment solutions.

In addition, the strategic re-alignment of the Group's portfolio through active asset liability management and growth in the balance sheet, coupled with the continued reduction in interest rates by the Central Bank of Jamaica, resulted in a favourable impact on the Net Interest Income **(NII) for the Group and JMMB Jamaica in particular. NII showed a significant increase year-on-year moving from $1.4 billion to $1.92 billion an increase of 40.6%.**





We also benefited from the cost management and efficiency initiatives undertaken in 2009, along with continued aggressive management of expenses throughout FY 2009/10. These efforts yielded positive results with **operating expenses declining by 14.1%, from $2.455 billion to $2.1 billion,** over the previous financial year despite headline inflation of 13.3%.

JMMB Jamaica Diversification: Products Launched During Financial Year

We continued to be responsive to our client needs, providing value (returns and savings) to our client base over the last year with relevant financial solutions.

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- Pensions: JMMB Pensions Unit and JMMB Retirement Solutions (JMMB RS) officially launched in September; built a portfolio of overJ$1 Billion in just seven months

- Insurance Brokers: JMMB Insurance Brokers (JMMB IB) increased its team complement by 42% to better meet client needs in the area of General Insurance; also launched Motor Smart Pak in September providing JMMB IB clients' savings up to 32% on insurance premiums even with riders.

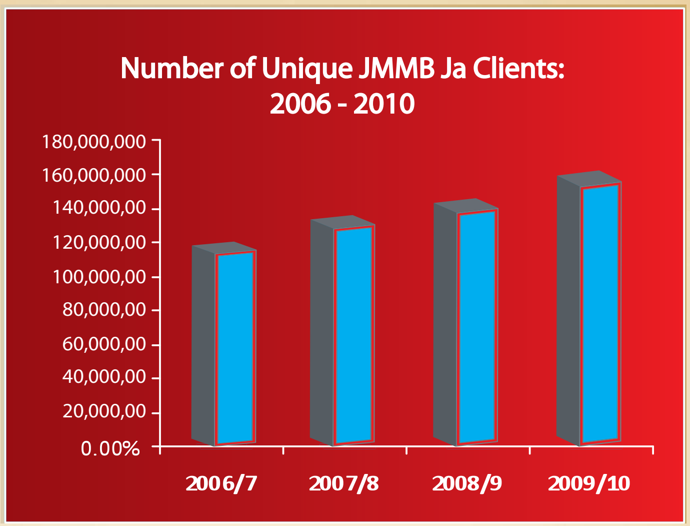
- Loans: Post the Jamaica Debt Exchange (JDX), JMMB was the first institution to cut rates to as low as 16.95% across the entire portfolio of loan offerings for new loans -Motor Vehicle, Home Equity, Personal, Education, and Business Loans; and reduce existing loans rates by 2%.

REGIONAL CONTRIBUTION

Consequent to the successful sale of our minority equity holding in the associated companies of CMMB, the share of profits from associate companies, while impacted, continues to contribute favourably to the JMMB Group results. We continue to maintain our presence in the region with the steady results of the Intercommercial Banking Group (IBL) in Trinidad and the encouraging performance by our operations in the Dominican Republic (DR).

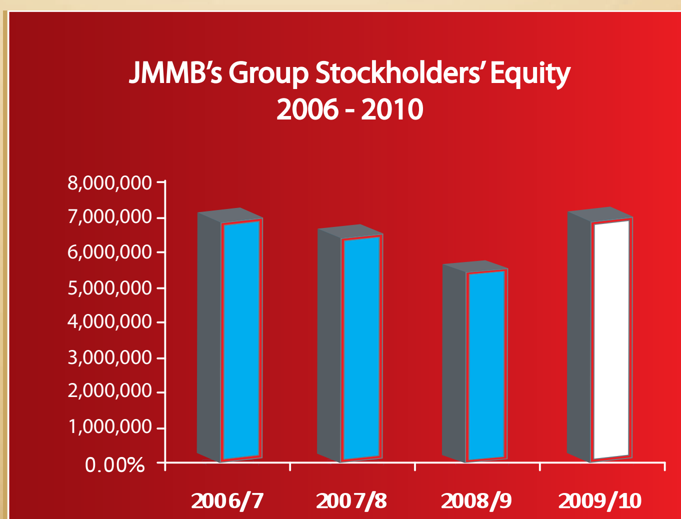
With the opening of a modern waterfront branch in Port of Spain, in keeping with JMMB's commitment to excellence in client care, IBL introduced personalised banking offering clients in the capital more individualised financial products and services. Our Operations in the Dominican Republic continue to grow with the client portfolio now standing at US$53 million as at March 31, 2010. The approval by JMMB Board of Directors for the acquisition of 80% of the Corporacion de Credito America S. A. (CCA), will further round out the business model by providing savings accounts and loans to the retail market in Dominican Republic, with expected contribution to JMMB Groups' sustainable growth over the medium-term.

We are proud of the **continued growth in our client base which now stands at over 167,000 across the Group,** with **Jamaica being the flagship serving 156,039 clients** – representing Jamaicans of all walks of life, businesses of varying sizes. As an increasingly full-service financial services Company, we endeavour to be our clients' partner for life – meeting their financial needs in a holistic way – all with the JMMB Group's commitment to genuine client care.



SOLID FOOTING IN 2009-10 AFTER NAVIGATING VOLATILE 2008-9

With an increase in retained earnings from $6.5 billion to $7.3 billion and a decrease in Investment Revaluation Reserve from $1.5 billion to $825 million, **JMMB Group Equity grew from $5.3 billion to $6.9 billion, reinforcing a strong capital base** to navigate the environment and take advantage of opportunities in the coming FY 2010/11.



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For FY 2009/10, **Operating Revenues Net of Interest Expense normalized** at over $3 billion. Though this was a reduction year-on-year, prior year was primarily driven by extraordinary foreign exchange gains of $3.36 billion that resulted from the significant devaluation in the Jamaican dollar against its US counterpart in the wake of the global economic crisis that ensued in late 2008. The FY 2009/10 saw the normalization of Gains on Securities Traded line item with an income of $961 million. The above factors clearly indicate that JMMB Jamaica is on a sound trajectory with core profits increasing.

We continue to exceed our regulatory capital requirements established and monitored by the Financial Services Commission (FSC). The FSC in Jamaica is the primary regulatory body for JMMB as a Company listed on the Jamaica Stock Exchange (JSE). The Company's Capital to risk weighted assets ratio stood at 44.6% whereas the FSC benchmark stipulates a minimum of 14%. The Company's capital to total assets ratio was 8.4% whereas the FSC benchmark is 6%.

DEEPENING CLIENT INTIMACY & BUSINESS LINE DIVERSIFICATION FOR 2010-11

In FY 2010/11, we will continue to deepen client intimacy, our core strength – **building genuine relationships and applying expertise.** This combination, in tandem with continued focus on business line diversification which enables holistic financial solutions, creates **powerful long term results for shareholders and clients.**

- **Financial Planning Services** – creating customised plans, with smart savings, based on the specific goals of clients and helping them stick to the plan despite the difficulties of the current economic climate.
- Building out our **credit solutions** with attractive rates and value-added offerings.
- Supporting through our **Pensions Unit,** Jamaicans of all walks of life to secure their quality of life through effective retirement planning, as well as supporting employees of Companies and Government entities as they successfully navigate pending redundancies.
- Using our investment and research expertise to help our clients take advantage of opportunities in the regional and local equities markets; as well as new investment products with unique benefits that include JMMB partnership and provide clients with attractive returns commensurate to their risk-appetite.
- Leveraging the large JMMB Jamaica client base to offer special discounts in General Insurance, allowing savings for JMMB Insurance Brokerage clients.
- Building out the regional operations in Trinidad & Tobago and the Dominican Republic in a strategic manner as we pursue steady and sustainable growth, even while uncertainty remains in the economic environment regionally and globally.

We continue to stand for Jamaica and the countries in which we operate. In Jamaica, we will continue to support accountability in the management of the economy through the monitoring of IMF targets and growth plans for our country. As we are all interlinked in our society, JMMB maintains its strong commitment to Corporate Social Responsibility by working in targeted communities across our island, as well as in Trinidad & Tobago and the Dominican Republic. In keeping with our philosophy of our Vision of Love and our business model, we continue to stand for our clients' success as we customize our range of services and products to provide the best value, supporting them in achieving their financial goals and putting their possibilities into action.

OUR THANKS

In closing, we thank our Board of Directors for their consistent contribution throughout this financial year. Your wisdom, experience and oversight of Governance were deeply appreciated as we established a strong baseline for sustained growth for JMMB.

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To the entire JMMB Group team, thank you for your continued commitment, creativity and focus as you effectively managed through respective challenging economies. The continued growth in our client base is a testament to your dedication to client care, whether you work in the back, middle or front office – it is truly inspiring.

We thank our clients for their unwavering support, constructive feedback and confidence in our institution. Indeed, such feedback is a critical input to our continuous process improvement and contributes to our efficient and sustainable growth as a business. You certainly are family.

Finally, to our shareholders, we thank you for your trust and support as we continue to effectively guide your Company through this dynamic market environment. Having successfully worked through the volatility of the global financial markets in FY 2008/9, we reinforced solid footing in FY 2009/10, establishing a strong baseline for future growth.

Dr. Noel Lyons
Chairman

Keith P. Duncan
Group CEO

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GENUINE RELATIONSHIPS • EXPERTISE • POWERFUL LONG-TERM RESULTS

TEN-YEAR STATISTICAL REVIEW

	Year ended 31-Mar-10	Year ended 31-Mar-09	Year ended 31-Mar-08
GROUP FINANCIAL DATA	(J$'000)	(J$'000)	(J$'000)
Total assets	122,975,370	111,193,465	102,415,766
Resale agreements	2,473,540	1,455,155	5,487,875
Investments	104,887,535	96,260,862	85,570,383
Other earning assets	7,283.426	5,879,387	5,586,956
Fixed assets	1,007,805	1,075,741	966,017
Repurchase agreements	102,844,985	90,110,998	88,246,690
Stockholders' equity	6,890,736	5,305,902	6,644,413
Funds under management	122,876,617	110,184,670	111,757,466
Operating revenue net of interest expense	3,095,678	4,849,213	3,324,949
Administrative expenses	2,109,128	2,455,567	2,177,396
Profit before tax	1,028,312	1,544,528	1,254,902
Net profit	986,378	1,102,622	1,061,610
Dividends (declared in respect of the fiscal year)	175,606	248,777	321,946
Profit retained (in respect of the fiscal year)	810,772	760,503	739,664
RATIOS			
Earnings per stock unit (cents)	67	75	73
Dividends per stock unit (cents)	12	17	22
Dividend payout ratio	17.8%	22.6%	30.3%
Market Price per share (JSE closing price-J$)	4.00	6.00	11.75
Price earnings ratio	6	8	16
Return on average equity	16.15%	18.40%	15.35%
Return on average assets	0.84%	1.03%	1.11%
Book value per stock unit (J$)	4.71	3.63	4.55
Net interest margin	14.09%	10.85%	16.79%
Funds under management per team member (J$'000)	400,571	358,908	335,608
Net profit per team member(J$'000)	3,213	3,592	3,188
Efficiency ratio (Admin. exp/Operating revenue net of int.exp.)	68.13%	50.64%	65.49%
OTHER DATA			
Exchange rate J$ per US$1.00	89.39	88.35	71.02
Inflation rate year over year (%)	13.31%	12.40%	19.90%
Number of stock units at year end	1,463,386,752	1,463,386,752	1,463,386,752
Market capitalisation	5,853,547,008	8,780,320,512	17,194,794,336
Number of team members (JMMB & Subs.)	307	307	333
Number of branches (Jamaica)	8	8	9

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Year ended 31-Mar-07	Year ended 31-Mar-06	Year ended 31-Mar-05	13 months ended 31-Mar-04	Year ended 28-Feb-03	Year ended 28-Feb-02	Year ended 28-Feb-01
(J$'000)	(J$'000)	(J$'000)	(J$'000)	(J$'000)	(J$'000)	(J$'000)
89,618,957	81,880,170	63,889,888	61,215,631	48,945,993	39,022,166	21,238,909
4,116,240	9,376,949	8,839,025	18,059,384	8,247,468	6,859,379	6,694,937
76,362,152	63,285,620	48,481,878	37,828,581	36,027,531	24,434,731	12,917,671
5,451,464	5,276,891	3,021,790	3,400,938	2,164,638	1,854,618	1,211,603
747,940	685,153	432,193	326,996	298,216	160,895	113,842
77,353,059	70,761,258	54,791,793	55,102,420	46,184,956	36,692,555	20,049,321
7,166,896	7,198,449	5,800,961	4,012,109	1,861,536	1,174,011	699,581
88,631,247	79,414,404	63,982,494	63,833,807	52,268,700	41,494,600	23,495,100
3,384,483	2,845,131	2,566,810	1,990,529	1,521,068	1,017,650	674,641
1,708,729	1,496,190	1,206,293	1,001,663	834,320	487,672	364,883
1,526,459	1,844,422	1,765,177	1,518,604	934,575	536,343	344,921
1,098,603	1,590,430	1,648,481	1,547,155	1,038,252	548,956	331,899
336,578	263,411	263,411	234,142	180,093	100,128	82,421
762,025	1,327,019	1,385,070	1,313,013	858,159	448,828	249,478
75	109	113	106	71	38	53
23	18	18	16	12	7	10
30.6%	16.6%	15.9%	15.13%	17.35%	18.24%	24.83%
10.50	12.62	17.00	16.65	7.42	-	-
14	12	15	16	10	-	-
15.29%	25.60%	33.40%	52.68%	68.41%	58.60%	56.78%
1.28%	2.60%	2.60%	2.81%	2.36%	1.82%	1.78%
4.90	4.92	3.96	2.74	1.27	0.80	0.82
18.29%	24.10%	24.80%	14.71%	12.71%	11.21%	11.63%
303,532	282,614	271,112	324,029	305,665	257,730	183,555
7,525	6,153	6,985	7,641	6,072	3,034	2,593
50.52%	52.60%	47.00%	50.32%	54.85%	51.00%	54.09%
68.14	65.50	61.54	60.90	53.74	47.53	45.78
6.60%	11.10%	12.40%	17.30%	5.70%	8.10%	6.70%
1,463,386,752	1,463,386,752	1,463,386,752	1,463,386,752	1,463,386,752	1,463,386,752	856,986,752
15,365,560,896	18,467,940,810	24,877,574,784	24,365,389,421	10,858,329,700	-	-
292	281	236	197	171	161	128
9	8	8	7	7	7	7

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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 Jamaica Pegasus Hotel, Negril and Montego Bay Suites, 81 Knutsford Boulevard Kingston 5, Jamaica on Monday September 20, 2010 at 10.00 A.M. for the purpose of transacting the following business, namely:

1. To receive the Audited Financial Statements for the year ended March 31, 2010, and the Reports of the Directors and Auditors thereon.

   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, 2010 be received."

2. Dividend

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

   "THAT the interim dividends of Six (06) cents paid on December 21, 2009 and Six (06) cents paid on July 12, 2010 making a total of Twelve (12) 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

   The directors retiring from office by rotation pursuant to Article 105 of the company's Articles of Association are Mr. Archibald Campbell, Mr. Hugh Duncan and Mr. Wayne Sutherland who, being eligible, offer themselves for re-election.

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

   (a) THAT Mr. Archibald Campbell be and is hereby re-elected a Director of the company;

   (b) THAT Mr. Hugh Duncan be and is hereby re-elected a Director of the company; and

   (c) THAT Mr. Wayne Sutherland be and is hereby re-elected a Director of the company.

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

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

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

Dated this 13th day of July 2010
BY ORDER OF THE BOARD

Carolyn DaCosta
Secretary

REGISTERED OFFICE
6 Haughton Terrace
Kingston 10

NB: A member entitled to vote at the meeting is entitled to appoint a proxy to attend and vote in his stead.
A proxy need not be a member of the company. Enclosed is a proxy form for your convenience, which must be lodged at the Company's Registered Office at least fortyeight 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.

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CORPORATE INFORMATION

CORPORATE DATA

CLIENT CARE
Client Care: 1 876 998-JMMB/5662
From the USA and Canada:
1-877-533-5662
From the UK: 0 800 404 9616
Mondays - Fridays 8:00 a.m - 7:00 p.m.
Saturdays
9:00 a.m - 7:00 p.m.

JMMB HEAD OFFICE
JMMB Limited
6 Haughton Terrace
Kingston 10
Tel: (876) 920-5040-1
Fax: (876) 960-9546 (876) 920-7281
Mondays - Fridays 8:30 a.m - 4:00 p.m.

JMMB Branch Locations
Haughton Branch
5 Haughton Avenue Kingston 10
Tel: (876) 920-5050
Fax: (876) 920-7281 or (876) 998-9380
Mondays - Fridays
8:30 a.m - 4:00 p.m.
Drive-thru Mondays - Fridays
9:00 am - 5:00 p.m.
Saturdays 10:00 a.m. - 2:00 p.m.

Knutsford Boulevard
11 Knutsford Boulevard
New Kingston
Kingston 5
Tel: (876) 960-3911
Fax: (876) 960-3927 OR 960-4455
Mondays - Fridays 8:30 a.m - 4:00 p.m.
Saturdays Closed

Ocho Rios Branch
2 Milford Road,
Ocho Rios, St. Ann
Tel: (876) 795-3651 or (876) 795-3627
Fax: (876) 795-3886
Mondays - Fridays 9:00 a.m - 4:00 p.m.

Portmore Branch
47-48 West Trade Way
Portmore Town Centre
Portmore, St. Catherine
Tel: (876) 939-3205
Fax: (876) 939-3207
Mondays - Fridays 10:30 a.m - 6:00 p.m.
Saturdays 10:30 a.m. - 2:00 p.m.

Mandeville Branch
23 Ward Avenue
Mandeville, Manchester
Tel: (876) 625-2351, (876) 625-4450-2
Fax: (876) 625-2352
Mondays - Fridays 9:00 a.m - 4:00 p.m.

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
Mondays - Fridays 9:00 a.m - 4:00 p.m.

May Pen Branch
Shop 28B, Bargain Village Plaza
35 Main Street
May Pen, Clarendon
Tel: (876) 786-0101
Fax: (876) 786-3660
Mondays - Fridays 9:00 a.m - 4:00 p.m.

Santa Cruz Branch
Shop # 2 Oasis Plaza, Coke Drive
Santa Cruz, St. Elizabeth
Tel: (876) 966-2512 or 966-3786
or 966-3493
Fax: (876) 966-9816
Mondays - Fridays 9:00 a.m - 4:00 p.m.

ETM Dual Currency Service (US$ & J$) Available:
- Haughton Terrace
- Knutsford Boulevard
- Portmore
- Montego Bay
- Ocho Rios
- Mandeville
- Santa Cruz

ETM Service Available:
- Constant Spring
- May Pen

Email: info@jmmb.com
Web: www.jmmb.com

SUBSIDIARIES
JMMB SECURITIES LIMITED
6 Haughton Terrace
Kingston 10
Tel: (876) 920-5040-1, 876 998-5662
Fax: (876) 960-8106
Mondays – Fridays 8:30 a.m– 4:00 p.m.
Website: www.jmmbsecurities.com
Email: info@jmmbsecurities.com

Board of Directors
Dr. Noel A. Lyon - Chairman
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
Mondays - Fridays 8:30 a.m - 4:00 p.m.
Website: www.jmmbinsurance.com
Email: info@jmmbinsurance.com

Board of Directors
Dr. Noel A. Lyon - Chairman
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.jmmbdominicana.com

Board of Directors
Dr. Noel A. Lyon - Chairman
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.ibltt.com

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

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Report of the Directors

For the year ended March 31, 2010

DIRECTORS

The members of the Board of Directors as at March 31, 2010 were as follows:

Dr. Noel A. Lyons, PhD.	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. Hugh Duncan	Director
Dr. Anne Crick, PhD	Director
Mr. Rodger Braham	Director
Ms. Carolyn DaCosta	Company Secretary

The Directors are pleased to present their Report for the year ended March 31, 2010. The Report represents the results for Jamaica Money Market Brokers Limited and its subsidiaries (collectively referred to as "the Group") and the Group's interest in its associated companies.

GROUP RESULTS

- Operating Revenue net of interest expense was $3.10 billion (2009: $4.85 billion).
- The Profit before income tax was $1.03 billion (2009: $1.54 billion).
- The Profit attributable to equity holders of the parent after income tax was $983.16 million (2009: $1.10 billion).
- Shareholders' Equity was $6.9 billion (2009: $5.3 billion).

DIVIDENDS

The Directors recommend that the interim dividends paid on December 21, 2009 and July 12, 2010 be ratified and declared as final and that no further dividend be paid in respect of the year under review.

In accordance with Article 105 of the Company's Articles of Association, the Directors retiring from office by rotation are Messrs. Archibald Campbell, Wayne Sutherland and Hugh Duncan - 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.

By Order of the Board
Dated this July 13, 2010

Carolyn DaCosta
Company Secretary

Applied Expertise • Effective Governance

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APPLIED EXPERTISE • EFFECTIVE GOVERNANCE

Board of Directors

ARCHIBALD CAMPBELL, FCA, MSC
Deputy Chairman

Archibald Campbell was re-appointed Director in September 1998 and Deputy Chairman in 2004. He is Chairman of the Pension Trustees, as well as Chairman of the Risk, Credit and Audit & Finance Sub-Committees of the Board of Directors. He read for both his Masters and Bachelor of Science degrees in Accounting at the University of the West Indies (UWI). Archibald is a faculty member at his Alma Mater and was recently given the ardent task of being the Chief Financial Officer/University Bursar with regional oversight requirements. He is currently the President of the Institute of Chartered Accountants and has served as an accounting expert in arbitration. Archibald has served as a director of numerous companies.

Dr. ANNE CRICK, PhD

Dr. Anne Crick, appointed to the Board of Directors in 2006, is the Chair of the Human Resource Sub-committee. She holds a Ph.D. in Organizational Management, which she obtained from Rutgers State University, New Jersey, in 2000. In addition, Dr. Crick attended Pennsylvania State University, (M.Sc. (Hons) and the University of the West Indies (B.Sc.), graduating with a Bachelor of Science in Hotel Management. She is currently an Associate Dean and head of the Centre for Hotel and Tourism Management at the Mona Campus of the University of the West Indies.

Dr. Crick is an 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.

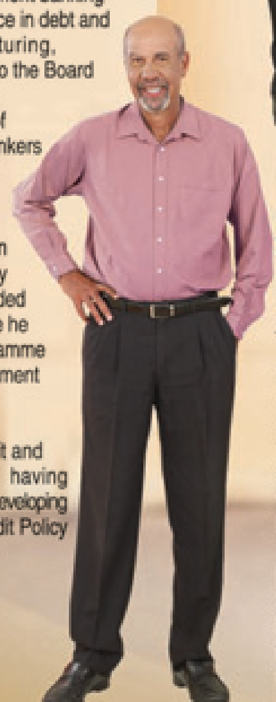
V. ANDREW WHYTE, MBA

V. Andrew Whyte sits on the Audit, Finance, Risk and Credit Committees. He is the Finance Manager at the Jamaica Producers Group (JPG), where his responsibilities include treasury management. Previously, he held senior management positions in the financial industry. He is the Chairman of the Board of Trustees of the JPG pension fund. Andrew has an MBA and a BSc. in Chemical Engineering.

RODGER BRAHAM, ACIB, BBA, PMD

With over 30 years experience in commercial and development banking with specialized experience in debt and organizational restructuring, Rodger 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 attended Harvard University where he participated in the programme for Management Development (PMD).

He sits on JMMB's Credit and Risk Sub-Committees, having assisted the company in developing and operationalising its Credit Policy and Procedures in 2007.



CAROLYN DACOSTA, MBA
Company Secretary

Carolyn DaCosta, a Certified Information 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, Carolyn 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.

DENNIS L.HARRIS, FCCA

Dennis Harris was appointed to the Board of Directors in January 2000 and sits on both the Human Resource and Audit & Finance Sub-Committees. A certified accountant, he is currently the Regional Finance Director for all Courts operations in the Caribbean with specific responsibility for Finance, Treasury, Credit and Information Technology. Dennis also serves as a Director on the Board of Unicomer (formerly Courts) Jamaica Limited and CGM Gallagher Group Limited.

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Board of Directors

KEITH P. DUNCAN, CFA
Group Chief Executive Officer

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. Keith 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.

Dr. NOEL A. LYON, PhD.
Chairman

Dr. Noel Lyon was appointed Chairman of the Board of Directors of Jamaica Money Market Brokers Ltd in 1992. Currently he also chairs a number of subsidiaries and associated companies including JMMB Insurance Brokers Ltd, JMMB Securities Ltd, Intercommercial Bank Ltd, Intercommercial Trust and Merchant Bank, JMMB BDI America and JMMB Dominicana, S.A.

An Economist by training, his diverse and extensive work experience include stints at the Central Bank and CEO positions at Jamaica Venture Fund Ltd, National Development Bank of Jamaica Ltd and Frome Monymusk Land Company. He has served on the boards of many private and public entities in Jamaica including Bank of Jamaica, 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., M.Sc.), Harvard University (Ph.D. Economics) and Harvard Business School.

HUGH DUNCAN, MBA
Executive Director, Group Chief Executive Officer & Managing Director

Hugh Duncan, CEO and Managing Director of Intercommercial Bank Limited (IBL) has over twenty years experience in the Energy 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. Prior to joining the IBL Group, he served as Director of Capital Markets and Business Development at Jamaica Money Market Brokers Limited (JMMB) and currently sits on its Board of Directors. He also serves as Treasurer on the Board of the Bankers Association of Trinidad and Tobago

He brings to the IBL Group a wealth of knowledge, financial management expertise and valuable experience having held senior positions at Citibank (Trinidad) from 1989 to 1998 including international postings to Manila, Philippines where he served for five (5) years as a senior executive member of Citibank's International staff. Hugh also held the position of Director Capital Markets at FirstCaribbean International Bank for the North Caribbean Region. In addition to his vast experience in the financial services sector, Hugh has experience in the energy sector 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.

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.

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 also serves as a Director of Intercommercial Bank Limited, a JMMB associated company. Wayne is a former Director of Caribbean Money Market Brokers (CMMB) and the Securities Commission. He is a graduate of the University of the West Indies (BSc) and the Columbia University Graduate School of Business (MBA).

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EXPERTISE •
POWERFUL LONG-TERM RESULTS

Commitment to Effective Governance:
Our Principles and Guidelines

The Board of Directors of JMMB provides oversight and overall direction to the business and affairs of the companies in the Group. Accordingly, JMMB's Executive and Senior Management Teams enforce our corporate governance policy and practices to support the Board of Directors' ability to effectively supervise and advise management, while achieving the goal of continuing to enhance long-term value to all stake-holders.

All Directors are competent and knowledgeable with a diverse range of experience, and demonstrate a high level of integrity and objectivity, and as such provide strategic guidance and visionary leadership to the company. The roles of Chairman and the CEO are separate, in keeping with best practices.

Board Expertise

Names	General Management	Financial	Strategic Managment	Banking	Corporate Finance	Asset Management	Insuance	Other (state)
Dr. Noel Lyon, PhD	•	•	•	•	•	•		
Keith Duncan	•	•	•	•	•	•		
Donna Duncan-Scott	•	•	•	•	•	•		Leadership Development
Archibald Campbell	•	•	•	•	•	•	•	
Dr. Anne Crick, PhD	•		•	•				Human Resources and Client Experience
V. Andrew Whyte		•	•	•	•	•		
Wayne Sutherland	•	•	•	•	•			
Dennis Harris	•	•	•	•	•	•		
Rodger Braham	•	•	•	•	•	•		

BOARD OF DIRECTORS

Composition of the Board:

As per the Articles of the Company the maximum number of Directors which the Company can appoint is eleven (11). Currently, the Board comprises ten (10) Directors:

- Three (3) Executive Directors.
- Seven (7) Non-Executive Directors of which,
- Five (5) are Independent Directors.

Board Composition

Names	Title	Position
Dr. Noel Lyon, PhD	Chairman	Non-Executive
Keith Duncan	Director & CEO	Executive
Donna Duncan-Scott	Director	Executive
Archibald Campbell	Director	Non-Executive
Dr. Anne Crick PhD	Director	Non-Executive
V. Andrew Whyte	Director	Non-Executive
Wayne Sutherland	Director	Non-Executive
Dennis Harris	Director	Non-Executive
Rodger Braham	Director	Non-Executive
Hugh Duncan	Director	Executive

TENURE OF DIRECTORS

Article 105 of the Articles of the company, provides that at the Annual General Meeting (AGM) in every year, one third of the Directors for the time being or if their numbers is not three or a multiple of three, then the number nearest to one-third shall retire from office, the Directors to retire in each year being those who have been longest in office since their last election, but as between persons who became Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot. A retiring Director shall be eligible for re-election. This year the Directors retiring as per rotation are Archibald Campbell, Wayne Sutherland and Hugh Duncan and are entitled to seek re-election at the AGM at which they retire.

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DIRECTORS' DUTIES AND RESPONSIBILITIES

The primary objectives of the Board are to:

- Actively develop and monitor the Group's approach to corporate governance.
- Meet the obligation of accountability to their shareholders and take into account the interests of other recognized stakeholders, optimizing long-term returns and sustainable growth of the business.
- Oversee and approve the corporate strategic direction and objectives
- Regularly monitor the effectiveness of management policies and decisions including the execution of agreed strategies
- Ensure company operates in a safe and sound manner and in compliance with applicable laws and regulations
- Appoint, remove and remunerate Directors
- Oversee risk management through review and approval of key policies and practices

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 Committee
- Finance Committee
- Risk Committee
- Human Resources and Compensation Committee
- Credit Committee

Board Composition and Expertise

Board Composition			Board Committees				
Names	Title	Position	Audit	Risk	HR & Compensation	Credit	Finance
Noel Lyon, PhD	Chairman	Non-Executive				Member	
Keith Duncan	Director & CEO	Executive					
Donna Duncan-Scott	Director	Executive			Member		
Archibald Campbell	“”	Non-Executive	Chairman	Chairman		Chairman	Chairman
Dr. Anne Crick, PhD	“”	“”			Chairman		
V. Andrew Whyte	“”	“”	Member	Member		Member	Member
Wayne Sutherland	“”	“”				Member	
Dennis Harris	“”	“”	Member		Member		Member
Rodger Braham	“”	“”		Member		Member	
Hugh Duncan	Director	Executive					

Each Sub-Committee of the Board is governed by a Charter that outlines its roles and responsibilities and has at least three (3) Independent Directors. The composition of each Committee is:

ETHICAL MATTERS

Disclosures

Directors who intend to take other Directorships are required to notify the Chairman of such intention.

In circumstances where there is conflict of interest as it relates to a matter under discussion by the Board, the Director declares his/her interest and excuses themself from the meeting, while the matter is being discussed.

BOARD SUB-COMMITTEES

Audit Committee

The Audit Committee assists the Board in discharging its duties with respect to internal controls and regulatory requirements.

The primary duties and responsibilities are as follows:

- Review and assess the adequacy of the overall audit programmes and staff of the Internal Auditors. In this regard, ensures that optimal support is given to the internal audit programmes.

- Hold discussions with the Internal Auditors on the extent of their satisfaction with the results of their respective audits, their views on the adequacy of their scope and their recommendations for improvements to the relevant practices.
- Obtain executive comments from the Management of the Company on working relationships with the Auditors.
- Receive and consider reports from the Internal Auditors on Disaster Prepareness, Business Continuity and the adequacy of accounting, financial and operating controls, including security of the Company's data processing and computer systems.
- Consider with the Auditors and Management of the Company, the principal points raised by the Auditors in their reports and the various management responses.
- Receive and consider reports from Auditors and the Management of the Company on deviations from the policies and directives of the management and Board of Directors.
- Review and assess the performance and cost effectiveness of the Internal Audit function and its relationship with the external auditors.
- Review reports from the Internal Auditors and Management on the execution of the audits and to consider their recommendations for changes to the relevant programmes and practices.
- Consider the suitability of the Internal Auditors for reappointment.
- Give an opportunity to Auditors and the Management of the Company to bring to the Committee's notice any other matter of relevance.
- Report to the Board on the deliberations of the Committee and to make recommen dations to the Board on any relevant changes or actions which the Committee considers prudent.

The areas of operations that were audited for the financial year ending March 31, 2010 included:

Accounting Function • Securities and Settlement • Retail Operations • Compliance • Information Systems • Risk • Pensions • Human Resources. No significant issues were identified.

The Board is satisfied that PricewaterhouseCoopers (Pwc) has performed their duties in an objective and transparent manner. A total of four (4) meetings were convened for the year.

FINANCE COMMITTEE

The Finance Committee assists the Board in discharging its duties with respect to accuracy and consistency in financial reporting as well as oversight of the capital and operating budgets.

The primary duties and responsibilities are as follows:

- Review the accounting principles, policies and practices adopted in the preparation and content of the published accounts and the internal financial reports of the Company and to satisfy itself that the appropriate practices have been adopted.
- Satisfy itself that the accounts and financial reports mentioned above issued by the Management of the Company are true and fair, meet all relevant statutory requirements, Statements of Standard Accounting Practices and, where applicable, the requirements of external regulators, for both local and overseas operations.

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- Review and assess the reasonableness of the External Auditors forecasts of the man-hours and cost of the external audits and to consider the audit fee charges submitted for the completed audits of the Company. The Statutory Auditors will be required to submit analyses and explanations for material variances.
- Assist in ensuring that interim audits for the Company are carried out on a timely basis.
- Assist in ensuring the prompt submission of the accounts of the Company for final audit.
- Recommending the appointment of an independent External Auditor and their compen sation.
- Ensuring the integrity of client and financial accounts.
- Ensuring compliance with regulatory requirements.
- Reviewing and recommending changes to the existing accounting policies and practices.
- Review and ratify the financials of the company and the Group.

RISK COMMITTEE

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:

During the financial year the Committee reviewed the audited and the un-audited financials of the Company and the Group.

KPMG was re-appointed as the External Auditors as the Board is satisfied that the un-audited and audited financials is complete and consistent and complies with accounting principles.

A total of seven (7) meetings were convened for the FY 2009/10.

- The authority to view all books and records of the company.
- Full access to JMMB's facilities and personnel.
- The authority to approve risk policies, subject to Board ratification.
- The responsibility of ensuring that appropriate policies, procedures and practices are in place for handling the risks to which the company is exposed.

The Committee may also engage independent counsel and other advisers as it deems necessary to carry out its duties.

The following were achieved during the FY 2009/10:

- Annual Review and approval of the policies for managing the Company's market, credit and operational risks.
- 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.

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Two (2) meetings were convened for the financial year.

HUMAN RESOURCES (HR) & COMPENSATION COMMITTEE

The purpose of this 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.

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.
- 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.
- Review of Directors compensation

A total of five (5) meetings were convened for the FY 2009/10

CREDIT COMMITTEE

The Board Credit 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. This 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 FY 2009/10 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 port folio 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 sur-passing) the Company's targets.
- Reviewed the Terms of Reference for the Committee periodically and recommended changes to the Board of Directors for approval.

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- Reported to the Board any significant actions or decisions taken by the Committee.

A total of four (4) meetings were convened for the financial year .

Attendance of Meetings

BOARD OF DIRECTORS AND BOARD COMMITTEE MEETINGS							
Number of meetings held for the year		12	4	2	5	4	7
Names	**Position**	**Board**	**Audit**	**Risk**	**HR & Compensation**	**Credit**	**Finance**
Dr. Noel Lyon PhD	Non-Executive	100%				75%	
Keith Duncan	Executive	100%					
Donna Duncan	Executive	77%			100%		
Archibald Campbell	Non-Executive	100%	100%	100%		75%	100%
Dr. Anne Crick PhD	“”	77%			100%		
V. Andrew Whyte	“”	92%	75%	100%		25% - appointed November 2009	86%
Wayne Sutherland	“”	100%				100%	
Dennis Harris	“”	77%	75%	100%	100%		71%
Rodger Braham	“”	85%				100%	
Hugh Duncan	Executive	31%					

The Board of Directors meets monthly except for August and December when the Board is in recess. Management reports are circulated to the Board each month, inclusive of the recess months.

GROUP REGULATORY COMPLIANCE

The Group Compliance Manager provides a monthly regulatory report to the Board of Directors. The Compliance Department ensures that the Group is in compliance with all laws and regulations, policies and procedures and standards of good practice in the various territories in which the Group operates.

The Board is also satisfied that compliance issues raised in the financial year have been effectively addressed and resolved, with no material issues remaining.

The Board understands the regulatory framework under which the Company operates and co-operates with Regulators to ensure that the financial system is safe and sound. The Board and Management therefore:

1. Maintains open communication with the Regulators on all material issues pertaining to the Company

2. Comply promptly and fully with requests for information as required by law

3. Are aware of the findings of the on-site examination process and direct Senior Management to determine whether similar problems exist elsewhere in the Company and take corrective action.

BUILDING FROM STRENGTH TO STRENGTH

For the new FY 2010/11, the Board will be reviewing the companys' Corporate Governance as well as the Corporate disclosure and Communications policies , with a view to ensure that they meet best practices and are in alignment with the JMMB Group's Company values of integrity, honesty and transparency.

Our Vision of Love & Guiding Philosophy

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 recognizes 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.

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.

LOVE OF GOD

LOVE OF FAMILY

LOVE OF LIFE

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.

LET'S BE POSSIBILITY THINKERS NOW

Our Vision of Love & Guiding Philosophy

Within this perspective, the JMMB Team recognizes diversity, while celebrating differences among team members, realizing that there are commonalities that bind team 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 co-exist in a dynamic process that ultimately leads to higher and higher levels of self-actualization; hence, the achievement of the organizational mission.

THE POWER OF LOVE

LOVE OF COUNTRY

LOVE OF OTHERS

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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Genuine Relationships • Expertise

LET'S BE POSSIBILITY THINKERS NOW

GENUINE RELATIONSHIPS • EXPERTISE

Executive Team Leaders

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

Keith Duncan joined JMMB as Trading Manager in 1995. As a strategic thinker and visionary leader, he built one of the strongest trading teams in Jamaica. In 2000, he went on to become the Deputy Managing Director and was promoted in 2005 to Group Chief Executive Officer, with responsibilities for the strategic direction of the Group and overall performance.

His financial expertise has not only benefited the JMMB Group but also the Jamaica financial sector. As former president of the Jamaica Securities Dealers Association (JSDA) he led in partnership with the Financial Services Commission (FSC) to design and implement new structures and models to enhance the effectiveness of the market players in Jamaica.

Keith holds a Bachelor of Arts Degree in Economics from the University of Western Ontario in Canada and gained his Chartered Financial Analyst (CFA) designation in 2001.

Known for his commitment to youth development and to Jamaica, he served as Chairman of the National Youth Service throughout the period 2003 and 2009. In this position, he worked closely with the respective Boards and teams to fulfill the mission of creating and reforming Jamaica's youth to become purposeful citizens.

PATRICK ELLIS, FCCA, FCA, CPA, MBA.
Group Chief Financial Officer

Patrick Ellis joined JMMB in 2008 as Group Chief Financial Officer. Prior to joining JMMB, he was a Director in the Audit Assurance and Advisory Department at PricewaterhouseCoopers (PwC). In this role he had lead responsibility for managing audits of major companies in the financial and telecommunications industries in Jamaica and across the Caribbean region. Patrick's experience as a multi-sectoral relationship manager included preparing a company for private listing on the Securities Exchange Commission (SEC) and audit certification pertaining to bond offerings in various international capital markets.

As Director at PwC, Patrick was responsible for developing staff in the area of International Financial Reporting Standards (IFRS) while managing numerous technical engagements including statutory financial audits, audit certification, management audits and management consultancy. Patrick is a Fellow of the Chartered Association of Certified Accountants (U.K.), a Fellow of the Institute of Chartered Accountants of Jamaica, a Certified Public Accountant (CPA) and holds an MBA in Finance from Manchester Business School.

At JMMB, Patrick is responsible for oversight and execution of the Group's Strategic and Financial Operations which includes preparation of financial statements, regulatory reporting, assessing the viability of possible acquisitions, as well as risk management for the Group's operations in Jamaica and the Dominican Republic.

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GENUINE RELATIONSHIPS • EXPERTISE

Executive Team Leaders

PATRICIA SUTHERLAND, B.Sc.
Executive Director, Business Operations & Manager, Group Strategy

Patricia Sutherland rejoined the JMMB team in 2006, as the Executive Director of Business Operations. In this role, she is responsible for ensuring the efficient execution of the Middle and Back Office operations, which includes the Information Technology, Securities & Settlement and Operations Management departments. In her remit, she also has responsibility for the Business Process Management Office (BPMO) with the mandate to drive the change management process to continuously address the existing and future business needs and objectives of JMMB. In February 2009, Patricia also assumed the role of Manager of Group Strategy, leading JMMB Group's strategic formulation, execution and management.

Patricia first joined JMMB in 1994 as Operations and Human Resources Manager. In 1999, she transitioned to the role of consultant with JMMB as she pursued other opportunities. In this role, she was Project Manager for various initiatives, including JMMB's Initial Public Offering (IPO), and was a key member of the acquisition team for Intercommercial Bank. Prior to joining JMMB in 1994, Patricia worked with the ICD Group of Companies (now ICD Group Limited) in the capacity of Operations Manager at Butterkist Limited for three years and as General Manager at HoFAB Limited for two years. As such, she brings over fifteen years experience in management, operations and strategic planning in Financial Services and Manufacturing industries.

Patricia speaks fluent French and holds a B.Sc. in Pure and Applied Chemistry which she attained at the University of the West Indies (UWI), Jamaica. She has completed several professional development courses and seminars including Level 1 of the Chartered Financial Analyst course and a Core Competencies course with the Society for Organization Learning. She is also very active in many other professional associations such as 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 from 1993 to present. Patricia is also a Director of the Board of the Jamaica Social Investment Fund (JSIF), the Government's leading social infrastructure support arm.

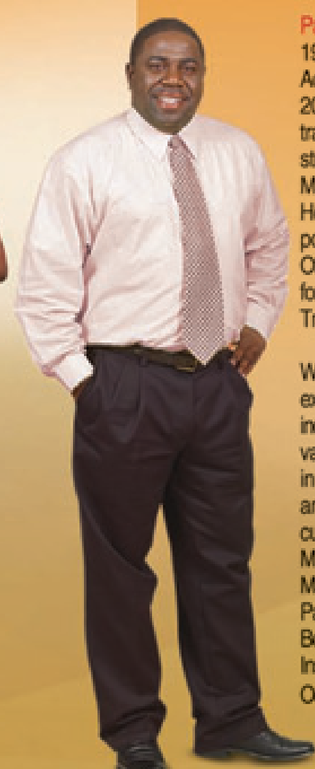
KISHA ANDERSON, B.Sc.
Manager, Retail Services and Administration

Kisha Anderson began her tenure with JMMB in February of 1996. Throughout this period, she has been directly involved with various areas of the company's operations, primarily client service delivery, product administration, branch management and strategy development. With her innovative ideas, solution-oriented work ethic and drive for excellence in performance she has responsibility for the company's retail and most recently corporate and pensions units. In addition, she serves as a Director on the Board of JMMB Insurance Limited.

As the head of Frontline Services, Kisha currently shares in the success of managing one of the largest retail and corporate client bases in the securities industry in Jamaica. Along with her team leaders she ensures that the JMMB frontline shares in the development and execution of the company's strategies, and that our clients experience exceptional client care, benefiting from our expertise in financial planning as we partner with them to meet their financial goals.

Her areas of responsibility include developing and guiding the implementation of agreed marketing and sales strategies and ensuring that revenue targets as well as those for profit and market-share are met. Further, she consistently motivates and supports her team in pursuing excellence as they aspire towards personal growth and development.

Kisha holds a Bachelor of Science degree in Environmental Sciences from the University of the West Indies. In addition to this, she has attained several professional certifications in the areas of talent management and process management.



PAUL GRAY, BSc.
Chief Investment Officer

Paul Gray joined JMMB in 1998 as a member of the Accounting team. In early 2000, he transitioned to the trading team and built a strong track record in Asset Management and Trading. He currently holds the position of Chief Investment Officer with direct responsibility for Investment Management, Trading and Research.

With over a decade of experience in the financial industry, Paul has received varying professional training in derivatives, asset/liability and risk management. He is currently completing his MBA in Finance with the Manchester Business School. Paul was appointed to the Board of Directors of JMMB Insurance Brokers Limited in October 2006.

LET'S BE POSSIBILITY THINKERS NOW

GENUINE RELATIONSHIPS • EXPERTISE

Executive Team Leaders

DONNA DUNCAN-SCOTTT, CFA, B.Sc, MBA
Group Executive Director, Culture and Human Development

A true visionary and transformation agent, Donna lives by the motto, 'We were born to manifest the glory of God. It is not just in some of us, it is in every one of us,' and is therefore committed to awakening this reality in everyone with whom she comes in contact.

Since 2005, Donna has infused her zeal for positive transformation and empowerment into her role as the Executive Director of Culture and Leadership Development. With her vibrant and optimistic spirit, Donna successfully leads her team in the design and development of programmes, policies and practices to deepen JMMB's unique culture of love and being in the world of clients and having their best interest at heart. Her team has overall responsibility for the welfare of team members - understanding their goals, dreams and aspirations, while creating a fun yet challenging environment - which will in turn directly impact the experience that team members create for our clients.

After acquiring her Bachelor of Science Degree in Engineering, Donna was employed as an Industrial Engineer before moving into Production Control at Goodyear. She later went on to pursue her MBA at the Richard Ivey School of Business at the University of Western Ontario in Canada. She gained her Certified Financial Analyst (CFA) accreditation in 1999.

CAROLYN DACOSTA, B.S.c, MBA
Group Compliance Manager and Company Secretary

A long-serving JMMB executive, Carolyn joined the Company in 1995 and over the years moved steadily up the ranks from Branch Supervisor, to Branch Manager, to Manager, Technical Operations and Compliance and Group Compliance Manager. In March 2008 she was promoted to Group Company Secretary.

As Group Compliance Manager and Company Secretary, Carolyn, in addition to her Board Secretarial duties, has responsibility for the establishment, implementation and monitoring of the Group compliance framework and the management of the Internal Audit process.

A graduate of the University of the West Indies (B.Sc.), she also holds an MBA degree from the Manchester Business School. She is a Certified Information Systems Auditor (CISA) and a Member of the International Compliance Association (MICA).

SHELDON POWE. B.Sc. MSc.,
Group Chief Information Officer

Sheldon Powe is the head of the technology team for the JMMB Group of Companies. In his position as Group Chief Information Officer, he ensures the company has robust and reliable systems which meet the ever growing demand for information processing.

In addition, he manages JMMB's technology platform both locally and regionally, ensuring network security and reliability. He also oversees frontline applications including online services, Electronic Transaction Machines (ETMs), Client Care Centre and other in-branch transaction processing systems.

Sheldon's tenure at JMMB began in 1997. He earned his Bachelor of Science degree from the University of the West Indies, as well a Masters in Industrial and Systems Engineering from the University of Florida. He is a Certified Project Manager (PMP), an Information Systems Auditor (CISA) and a Certified Information Security Manager (CISM).

LET'S BE POSSIBILITY THINKERS NOW

GENUINE RELATIONSHIPS • EXPERTISE

Executive Team Leaders

JANET PATRICK, B.S.c, ACCA
Financial Controller-Strategic Planning and Budgeting

Janet Patrick served 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 joining JMMB, Janet worked with KPMG Chartered Accountants, where she was a member of the senior audit staff. During this time, she worked on several special projects, including establishing the accounting functions of a leading securities firm in Jamaica.

Janet is a Chartered Accountant and holds a Diploma in Business Administration (with a major in Accounting) from the University of Technology.

JULIAN MAIR, BSC.
GROUP INVESTMENT STRATEGIST

Julian Mair is JMMB's Group Investment Strategist He brings over 16 years of experience to the post, having played a significant role in the development of the Secondary Market in Jamaica, specifically as one of the first Primary Dealers.

He has held positions at leading Jamaican financial institutions, including Head of Treasury and Investment services at Dehring, 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. In addition, Julian was formerly the Managing Director of Lets Investment Ltd. Under his leadership, 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 (JSDA) and serves as a director of JMMB Securities Limited, JMMB International, JMMB BDI America and of the Jamaica Stock Exchange.

He received his Bachelors degree in Finance from Howard University.

IMANI DUNCAN, MPA-ID, BA
MANAGER, GROUP MARKETING

Imani Duncan joined the JMMB team in 2007 in the positions of Group Strategy Manager & Manager, Corporate Solutions. She assumed the role of Group Marketing Manager in April 2009. As Group Marketing Manager she is responsible for the marketing strategy, design and execution for JMMB Jamaica and JMMB's operations in the Dominican Republic.

As the Corporate Solutions Manager she was responsible for the development and growth of the new business line as well as coordinated consistent delivery of relevant services and products to meet the needs of corporate and institutional clients of JMMB.

As an Associate with the Boston-based consulting firm, Monitor, Imani worked with corporations and medium-sized companies developing strategies for revenue growth through product development, distribution, customer segmentation, direct sales and marketing, as well as with governments, working on national economic development initiatives. She further developed her management consulting expertise with the OTF Group, a spin-off of Monitor Company, by working with the Tourism, Manufacturing, Shipping Logistics and Financial Services industries in Bermuda, Dominican Republic and Jamaica. She has also worked with the World Bank in the area of private sector development and financing for growth in emerging markets.

As a former Director of the Development Bank of Jamaica (DBJ), Jamaica's leading financial government institution for economic development, and its Investment and Credit Board committee, Imani garnered further knowledge of financing options, deal structuring, and regulatory bodies to facilitate business development and expansion in a Jamaican context. Imani is also a founding member of the Caribbean Policy Research Institute (CaPRI), the Caribbean's first independent think tank. She is currently a Board Director of the YMCA Jamaica and a member of Key Insurance's Board Committee for Investments and Loans.

Prior to completing her first degree, Imani represented Jamaica as Miss Jamaica World 1995, with her focus on sustainable environmental practices as well as violence-reduction in schools, as the first spokesperson for PALS Jamaica. Imani attended Wesleyan University where she graduated with a BA (Honours) in Economics, Philosophy, Government and History, with a minor in Environmental Policy. Imani also holds her Master's degree in International Development, with a focus on economic development and growth, from Harvard University.

LET'S BE POSSIBILITY THINKERS NOW

GENUINE RELATIONSHIPS • EXPERTISE

Senior Team Leaders

CARL ALDRIDGE
Manager, Pension Funds Business Development

SASHA SHEEHY
Development Manager

KEISHA FORBES
Trading Manager

DAWNEL THOMPSON
Process Development Manager

NERENE BROWN
Operations Manager, Retail Service Delivery

DIANNE BOLTON
Credit Manager

DENSIE ROBINSON
Group Middle Office Manager

PETER THOMPSON
Senior Investment Manager, Pension & Client Portfolios

*Vaughn Gentles, Financial Controller resigned April 30, 2010

LET'S BE POSSIBILITY THINKERS NOW

GENUINE RELATIONSHIPS • EXPERTISE

Our Branch Managers

HORACE WILDES

Ocho Rios
2 Milford Road
Ocho Rios, St. Ann

LORNA HALL

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

ROCKANN LEE-CRAWLE

Haughton Terrace
5 Haughton Avenue
Kingston 10

TEVERLY GRAY

47-48 West Trade Way
Portmore,
St. Catherine

JACQUELINE MULLINGS

May Pen Shop 28B
Bargain Village Plaza
35 Main Street
May Pen, Clarendon
and
Santa Cruz, Shop #2
2 Oasis Plaza, Coke Drive
Santa Cruz, St. Elizabeth

MARCIA WHITTAKER, PhD.

Mandeville
11 Ward Avenue
Mandeville, Manchester

JOAN EDWARDS

Personal Portfolio
Management (PPM) Centre
JMMB Head Office
6 Haughton Terrace,
Kingston 10

FORNIA YOUNG

Knutsford Boulevard
11 Knutsford Boulevard
Kingston 10

LET'S BE POSSIBILITY THINKERS NOW

GUNUINE RELATIONSHIP • EXPERTISE

Living Client Intimacy Everyday

At JMMB, our commitment to Client Intimacy is grounded in genuine care for our clients.

This care underpins our desire to truly gain a better understanding of the needs and goals of our clients – for it is in understanding their motivations, interests and aspirations that we build *true partnerships, genuine relationships.*

While we are extremely happy to have built a client base of over 155,000, we know with such growth come challenges in maintaining that intimate knowledge of our clients which enables us to consistently deliver personalized service, almost tailor-made for each client. However, as always with the JMMB Spirit, we embrace that challenge and have put in place several tools, processes, training programmes and initiatives to ensure we maintain and build on our chosen value discipline, Client Intimacy.

Measuring Client Intimacy at JMMB:
We measure it, track it…so we can build on it.

With our commitment to gain a better understanding of the needs of our clients and desiring to truly be in their world, Client Satisfaction & Engagement Surveys were conducted quarterly throughout 2009-2010. From the valuable information gained through these and other methods, our Services Delivery Team acted upon clients' feedback, taking immediate remedial steps where possible, while medium-to-long-term solutions were escalated for prioritization and action as part of our Continuous Process Improvement Programme.

As a result, JMMB's **retail client engagement scores increased steadily, averaging 85.5% over** the year with the following being noteworthy:

94% of clients stated that they, "Actively encouraged others to become clients of JMMB."

88% felt that, "Client care at JMMB is better than that of any other financial institution."

87% felt that, "JMMB sets the standard by which all financial institutions should be judged."

86% of clients surveyed stated that they "Feel that they are a part of the JMMB family."

84% considered JMMB, "The best financial institution in Jamaica."

TESTIMONIAL:
Client Satisfaction & Engagement Survey

Captain Richards of the Salvation Army, a Mandeville Branch customer

("I want to congratulate JMMB on their service and willingness to go the extra mile.")
He cited an experience where he brought in two new clients who were illiterate and did not understand either the policies or statements. The policies were explained to them in simple terms and arrangements were made to call them on a monthly basis to read and explain their statements to them.

LET'S BE POSSIBILITY THINKERS NOW

CLIENT INTIMACY THROUGH JMMB CORPORATE SOLUTIONS' BUSINESS DIAGNOSTICS

Our detailed **Business Diagnostics** approach continued to facilitate better recognition and anticipation of our clients' needs, which enabled us to proactively offer more relevant financial solutions.

2009-10 Customer Engagement Survey results from the sample group of our **corporate clients** reflected that customer engagement levels averaged **84.8%** with passion levels increasing by a significant 27.8%. The survey revealed that the areas contributing to this received the following scores:

100% feel that they are "A part of the JMMB family."

90% feel that, "JMMB sets the standard by which all financial institutions should be judged."

100% stated that they, "Actively encouraged others to become clients of JMMB."

80% feel that, "Client care at JMMB is better than that of any other financial institution."

70% believe that, "The financial advice given by JMMB is superior to all other financial institutions."

While we are very pleased with full marks in some areas, we recognize the need to build stronger capacity in other areas to more effectively meet our corporate clients' needs and expectations.

TESTIMONIAL:

Mark Jones, Chairman - Global Gateway Solutions

"I want to single out Lecia for some special words, and by extension, of course JMMB.

We started our loan process with full expectation that we would end up with RBTT, NCB and/ PC bank. At some point in the process, our loan consultant met Lecia, and from that day forward, she took control. There was not a 48-hour period without contact and some form of deliverable (either hers or ours) and she set a course that focused us all on the JMMB/GGS relationship.

She was professional in every sense - complete clarity around expectations and process, timelines set out and then met, and throughout all, providing a sense that understood our needs and cared about our success.

JMMB has clearly managed to create a customer-centric culture coupled with an intense drive for results that I am not seeing elsewhere in the financial sector.

Congratulations! This experience tells me that JMMB is going to be one of the big winners going forward as the financial sector reinvents itself!"

TESTIMONIAL:

Glenroy Lyle, Santa Cruz client by Jacqueline Mullings – Branch Manager

"A visit with Glenroy Lyle in February 2010, to find out how we could better serve him with one of our product offerings, landed us a heartfelt expression of appreciation for the client care and solutions that JMMB has provided over the years.

JMMB Group CEO Keith Duncan engages in a 'pointed' discussion with long-standing client, businessman Glenroy Lyle after the Junction leg of the 'Possibilities in Action' forum.

LET'S BE POSSIBILITY THINKERS NOW

A client since the 1990's, Mr. Lyle spoke of interacting with our Managing Director at the time, Donna Duncan. In his reflections, 'I visited the office in Kingston and she charted a pathway that I have not diverted from: Restructure savings and loan, consolidate your investments and then make a decision on how to achieve your goal.'

His goal at the time was to open his own business. He attributes his accomplishment of taking that entrepreneurial leap to JMMB.

Mr. Lyle says, 'This company (JMMB) has helped me to achieve a lot of things. I worked closely with Sherdan (a Client Relations Officer) to shuffle and invest funds creating the capital financing needed to start my business in 2005. When I needed to expand my business in 2009, Kayonne (a Client Relations Officer) worked hard on bringing the loan to fruition.'

Having started his business immediately following the completion of his Bachelor's degree, he was not sure he would succeed but JMMB partnered with him and provided much-needed financial advice. Now, Glenroy Lyle utilizes several products from JMMB's business lines, including General Insurance, to meet the needs of his successful enterprise."

POSSIBILITY THINKERS CAMPAIGN

GENUINE RELATIONSHIP • GENUINE CONCERN

During the course of 2009-2010 as the global recession severely impacted the economy, Jamaicans faced new hardships, including redundancies and increased cost of living. JMMB's "Possibility Thinkers" Campaign encouraged Jamaicans to draw on our lineage of resilience, faith and strength, be practical and to look for and seize new opportunities. We embraced the charge in helping Jamaicans to "Make Smart Choices" financially and fostered partnerships wherein we offered JMMB's holistic suite of products and services to clients and potential clients based on their specific needs and having their best interest at heart. We took the advice, tips and solutions to navigating the challenging circumstances and 'Making Smart Choices' through our newsletters, emails, our feature show on TVJ's *Smile Jamaica* on Wednesday mornings as well as through regular sponsored spots on Irie FM, RJR and Power 106, the rotation of our Possibility Song on radio and of course via in-person conversations at our branches and various client briefings throughout the year. We even took the message to several large-scale redundancy exercises as we partnered with Jamaicans of varying backgrounds, helping them prepare for change with JMMB Retirement Solutions (JMMB RS) and financial planning.

Listening to the questions, doubts and concerns of many Jamaicans post the Jamaica Debt Exchange (JDX) Initiative, we chose to round out the FY 2009/10 with the staging of our **'Possibilities in Action' forums** across the island, all designed to meet our clients at their points of concern and help to shift the thinking towards what IS possible for all of us even in these challenging times, and to take concrete action.

Working out the Possibilities: Participants eagerly work out the steps needed to put their goals in action, at the Kingston leg of the 'Possibilities in Action' Forum.

Kingston Forum Testimonial – Lisa Boland

"I came here to see what (the forum) is all about, to check out my possibilities. It's been motivational. I plan to go home and go through my package, write out my goals and my aims, and work with (the plan). I definitely need to make plans and have things worked out in an organized way for my future. This motivated me. There is a possibility that I can be successful in the future."

Farmers are among the residents receiving financial advice from JMMB Retail Client Advisor, Denesha Blake, on how to expand their businesses, at the third leg of JMMB's 'Possibilities in Action' forum at the Junction Guest House in St. Elizabeth.

THE "JMMB WAY"

SIGNATURE TRAINING PROGRAMMES REINFORCING CLIENT INTIMACY

Through our Human Resource and Culture & Leadership Development Teams, JMMB, in keeping with our commitment for 2009-2010, embarked upon the development of the "JMMB Way" specialized training programmes. This began with members of the Frontline Team receiving customized training called, "CRISP" (Collaborative, Relationship, Integrity Selling, Partnership). The programme was capably developed and led by our Frontline Training Specialist, Charmaine Brooks, who, being fully in the world of her "clients" took 100% responsibility in ensuring that the team gained a better understanding of the core competencies and techniques required for applying our best-practice approach, in managing and deepening client relationships. This was critical in creating the platform from which they can elevate their ability to help clients achieve their financial targets while concurrently exceeding their own performance targets. These programmes will be further developed in 2010-2011 to further empower the team to serve our clients with excellence and deepen the conversation & commitment throughout the entire company in the **JMMB Way** of desired attitudes, ways of being and behaviors.

TESTIMONIAL:

Frontline Team Members after "CRISP":

"I am more deliberate in building relationships with my clients…"

"I am now getting in the world of the client with an intention to provide them with a solution to their business needs…"

"I constantly communicate with existing clients to update them on new and varied products of interest… follow-up is the key."

FOCUS FOR 2010: THE "JMMB WAY"

TRANSFORMATIONAL SEMINARS

To complement the "CRISP" training programme, we will be developing the "JMMB Way" seminars in the first quarter of the new financial year 2010-11. These courses will be designed with the objective of having the JMMB team take a new stand to deepen their expression and ownership of the "JMMB Way" of being, to have more powerful relationships, leading to increased satisfaction, engagement and performance. We expect that, having completed the seminars, our team will rekindle in themselves the values and attitudes that will ultimately lead to their personal growth, being their best selves and deepen the expression of love at JMMB.

LET'S BE POSSIBILITY THINKERS NOW

As they begin to experience this higher level of caring they will renew their commitment to serving each other with excellence and by extension, our external clients will have more delightful experiences in our service delivery.

CLIENT INTIMACY INITIATIVES

Plans to increase our focus on delighting our clients and enhancing service delivery at each point of contact form a major part of our Client Intimacy initiatives for 2010.

As we seek to complement our already attractive portfolio of packages to meet our clients' every financial need, we will roll out additional customized products and services.

Clients will experience special moments designed to make their visits more enjoyable while we increase our operational efficiency to improve accuracy, efficiency and wait-time.

There are also plans to implement additional service standards and new processes to ensure that clients' needs and feedback are managed in a more timely and methodical way. Additionally, loyalty programmes will be introduced to reward our longstanding clients for their faith and unfailing contribution to JMMB's success and growth.

With our Frontline Teams fully equipped to cater to both the tangible and intangible desires of our clients, coupled with these service delivery and operational enhancements, we look forward to serving you in true JMMB style… upholding the Joan Duncan legacy that is **…the JMMB Way.**

LET'S BE POSSIBILITY THINKERS NOW

Expertise • Powerful Long-Term Results

LET'S BE POSSIBILITY THINKERS NOW

EXPERTISE •
POWERFUL LONG-TERM RESULTS

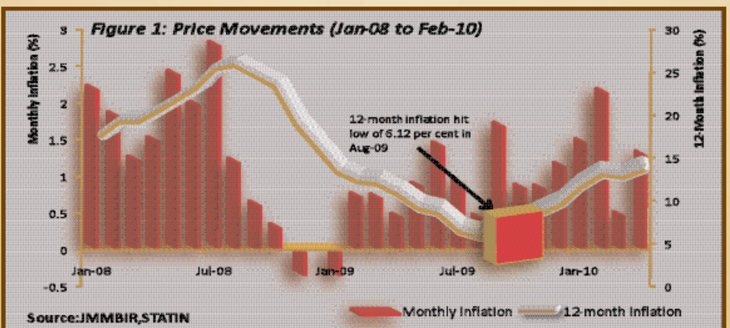
Jamaica Macro Economic Factors:
Context for Local & Regional Strategies

As the JMMB Group is a homegrown Jamaica Company with a regional footprint, we focus on the Macro Economic factors of Jamaica to set the context for the deliberate strategies employed in FY 2009/10. Subsequent Associate and Subsidiary sections in this Report speak to the environment in the Dominican Republic and Trinidad & Tobago accordingly.

The FY 2009/10 was a challenging one for the Jamaican economy as the Government, businesses and individuals sought to deal with the ramifications of the local recession which resulted from volatility in the financial markets and the global recession in FY 2008/9. Herein follows an analysis of the primary factors in the overall economy as well as the outlook for FY 2010/11.

INFLATION

The inflation outturn for fiscal year FY 2009/10 was somewhat less favorable relative to that of FY 2008/09. The 12-month inflation rate increased marginally from the 12.2 percent in FY 2008/09, to 13.3 percent in FY 2009/10 (see Figure 1). Higher inflation rates, in FY 2009/10, came on the heels of acceleration in commodity prices and the implementation of additional tax measures.



GOVERNMENT FINANCES AND TAXATION

To safeguard public finances, the Government introduced three tax measures over the past year, aimed at boosting revenues by over 3 percent of GDP:

1. The first set of measures, introduced at the start of FY 2009/10, encompassed an increase in the excise tax on gasoline by J$8.75 per litre and a broadening of the General Consumption Tax (GCT) base.

2. The second tax measure, aimed at generating annualized revenue equivalent to 0.3 percent of GDP, became effective on October 1, 2009 and included increasing the GCT rate on telephone services from 20 percent to 25 percent and increasing the departure tax to J$1,800.

3. The third measure aimed at generating revenue equivalent to 1 3/4 percent of GDP, became effective on January 1, 2010 (see Table 1).

Table: 1 Revenue Enhancing Measures	Projected Earnings in J$ Bn
Advanced GCT on Imports	2.4
Tax on Income above 35 Mn & 10 Mn p.a.	1.317
Increase licence Fees for Top end	
Vehicles & Tax on luxury items	0.542
Increase in GCT rate	3.6
15% Ad Valorem on Petroleum	9.4
SCT increase on Cigarettes	1.4
10% GCT on Tourism Services	1.2
GCT on Residential Electricity	0.711
GCT on Commercial Electricity	0.742
Total	21.012

Source: JMMIR, MOF

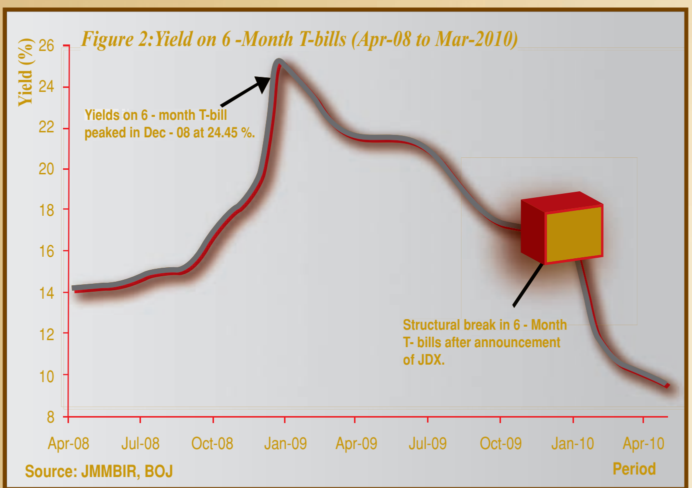
INFLATION OUTLOOK The Bank of Jamaica (BOJ) projects an inflation outturn within the targeted range of 7.5 percent to 9.5 percent for FY 2010/11. Our view is roughly in line with BOJ's expectation with the balance of risks skewed to the upside due to the likelihood of weather related shocks and greater than anticipated increases in commodity prices.

LET'S BE POSSIBILITY THINKERS NOW

INTEREST RATES

Benchmark interest rates for FY 2009/10 ended at 10.49 percent, markedly lower than that seen at end of FY 2008/09, at 21.77 percent. The reduction in interest rates over FY 2009/10 was driven primarily by:

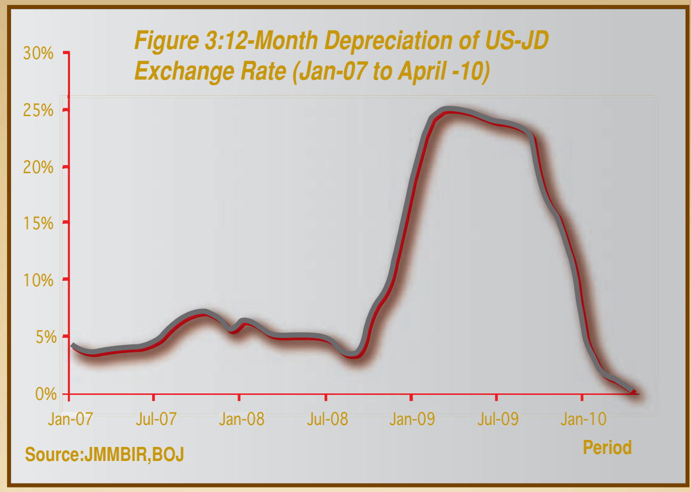
- Stability in the foreign exchange market
- Reduction in BOJ policy rate
- The impact of the Jamaica Debt Exchange (JDX) programme, and
- A reduction in the nation's credit risks after the IMF's stamp of approval.



FOREIGN EXCHANGE MARKET

Relatively stable J$-US$ exchange rate throughout most of FY 2009/10 (depreciation of 1%) created room for gradual reductions in the interest rate without significant spillover effects into the foreign exchange market. Expected currency depreciation (due to decline in foreign exchange earnings and remittance inflows) was contained by the implementation of a 'moral suasion' initiative pursued by the Central Bank and supported by the Bankers and Cambio Associations. Net demand for foreign exchange declined as the current account deficit contracted by approximately 67.3 percent.

A 'Frank' Handshake: Opposition Senator, Delano Franklyn, (left) gives a congratulatory handshake to Peter Thompson, Senior Investment Manager, Pension & Client Portfolio at Jamaica Money Market Brokers. The two were at the Today's Money Expo, where Thompson spoke on the effect which the Jamaica Debt Exchange (JDX) will have on local pension funds.



THE JDX: CONTEXT AND MARKET OUTCOMES

The nation's worsening fiscal profile, driven primarily by the meteoric rise in interest expense, required a measure to bring sustainability to public finances. The nation's fiscal and monetary authorities, with support from Financial Institutions, succesfully implemented the JDX programme, a measure aimed at lowering the interest rate (cost) and domestic public debt and extending the maturity profile and to facilitate stability in the macro environment and put the country on a path towards achieving sustainable economic growth. A re-set of market rates occurred as the Exchange was completed, where short term JDX benchmark bonds stood between 11.25-12.50 percent.

This intiative would negatively impact Financial institutions in terms of a reduction in short to medium term profitability. However this definitive action should lead to sustainable debt profile of the Government of Jamaica, which would underpin the viability of the overall economy, including the financial sector.

The successful implementation of the JDX programme and IMF's stamp of approval for the nation's economic program precipitated a slew of credit rating upgrades. The credit rating upgrades sent a signal to market participants that the nation's sovereign risk outlook has improved; within this context the premium attached to holding GOJ bonds relative to comparable benchmarks declined tremendously.

LET'S BE POSSIBILITY THINKERS NOW

INTEREST RATE OUTLOOK In April-2010, benchmark interest rates further decreased to 9.99 percent. As at May-2010, the Jamaican dollar and US dollar yield curves have shifted downwards to reflect new and optimistic market sentiment. In light of ongoing and expected developments over the medium term, we are cautiously optimistic that the overall medium-term direction of interest rates is to the downside, on assumption of prudent government borrowing.

FISCAL PERFORMANCE

Most of the underlying macroeconomic assumptions for FY 2009/10 were in line with actual outturn.

- The nation's fiscal and monetary authorities accurately forecasted that actual inflation (12.2 percent) would fall within the region of 11 percent to 14 percent.
- Actual real GDP outturn of -2.7 percent was squarely in-line with expectations, declining within the region -2.5 to -3.5 percent.
- The fiscal deficit target of -5.5 percent of GDP was missed by a wide margin in context of an actual outturn of -10.31 per cent of GDP (higest since data recording began in 1989/90).
- Preliminary data show that the current account deficit, projected to come in at 14.2 percent of GDP, came out better than expected at 8.5 per cent of GDP.

However, Central Government's fiscal targets for FY 2009/10 were not achieved as expected.

- Fiscal authorities budgeted for total revenue and grant growth of 18.2 percent, when the actual outturn (J$300.2 billion) represented a growth of 8.9 percent.
  - A further breakdown of the revenue numbers indicates that the major source of the underperformance was in the area of tax revenues, which grew by 8.14 percent in FY 2009/10 relative to FY 2008/09, lower than anticipated growth of 18 per cent.
- On the expenditure side, capital expenditure was not strong enough to bear the full burden of austerity measures that had to be implemented during the course of the fiscal year.
  - The nation's fiscal authorities have presented two supplementary budgets out lining a range of measures aimed at boosting tax revenues (by over J$22 billion) and reigning in expenditure. As a means to correct the situation as best as possible, expenditure on the programmes and capital were reduced by 8.8 per cent and 15.8 percent relative to budget respectively, to counter the unexpected increase in interest expense (18.7 percent)

BUDGET 2010/11

Table 2: Central Government BUDGET

ITEMS in J$ Mn	Budget FY 2009/10	Actual FY 2009/10	Deviation	% Deviation	Budget FY 2010/11
Tax Revenue + Grants	344,484.6	300,730.0	(43,754.6)	-12.7%	326,300.0
Tax Revenue	291,674.5	265,900.0	(25,774.5)	-8.8%	287,200.0
Non-Tax	16,857.3	21,228.5	4,371.2	25.9%	20,100.0
Bauxite Levy	139.2	1,600.0	1,460.8	1049.4%	700.0
Capital	7,436.6	5,108.8	(2,327.8)	-31.3%	2,700.0
Grants	10,245.9	6,892.6	(3,353.3)	-32.7%	15,600.0
Expenditure + Amortization	555,040.1	598,750.0	43,709.9	7.9%	503,940.2
Expenditure	404,642.6	421,350.0	16,707.4	4.1%	407,106.0
Recurrent Expenditure	363,788.2	386,346.2	22,558.0	6.2%	344,229.6
Programmes	79,026.5	70,584.6	(8,441.9)	-10.7%	74,388.8
Wages & Salaries	125,754.1	126,254.1	500.0	0.4%	127,754.1
Interest	159,007.5	189,507.5	30,500.0	19.2%	142,086.8
Capital Expenditure	40,854.3	35,003.8	(5,850.5)	-14.3%	62,876.3
Fiscal Deficit/1	(78,288.9)	(120,620.0)	(42,331.1)	54.1%	(80,806.0)
Primary Balance/2	80,718.7	68,887.5	(11,831.2)	-14.7%	83,280.8
Fiscal Deficit/GDP	5.5%	10.9%	5.4%	98.2%	6.5%
Primary Balance/GDP	7.5%	6.5%	-1.0%	-13.2%	7.0%
Amortization	150,397.5	177,400.0	27,002.5	18.0%	96,834.2
Domestic	123,446.9	150,676.3	27,229.4	22.1%	69,837.0
External	26,723.7	26,723.7	-	0.0%	26,997.2
Overall Deficit	(210,555.5)	(298,020.0)	(87,464.5)	42%	(177,640.2)
Borrowing Requrement	215,800.0	298,020.0	82,220.0	38%	176,300.0
Domestic	186,400.0	268,620.0	82,220.0	44%	118,000.0
External	29,400.0	29,400.0	-	-	58,300.0

Source: JMMBIR, MOF; 1/ exclude amortization; 2/ exclude AIRJ cost (J$22Bn)

Fiscal authorities foresee tax revenue coming out 8 percent higher than in FY 2009/10, which represents a nominal amount of J$287.2 billion. Non-tax revenue is anticipated to grow by 13 percent over FY 2009/10. Revenues from bauxite levy are expected to post a significant reduction (-56 percent) to J$700 million. Capital revenue and grants are expected to grow at 68.8 per cent and 114 percent respectively (see Table 2).

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In the absence of new taxes, the 8 percent projected growth sets the stage for a long-expected drive towards the effective utilization and enhancement of the compliance and enforcement mechanisms available to the Tax Administration.

In FY 2010/11, fiscal authorities aim to limit total expenditure (inclusive of amortization) at J$509.3 billion, a -15 per cent reduction from that of FY 2009/10 and approximately J$90 billion worth of savings. The over J$90 billion in fiscal savings represent primarily, interest expense savings of J$45.4 billion and amortization savings of J$80.5 billion. The savings from interest expense and amortization were offset somewhat by approximately J$1.8 billion increase in programmes, J$2 billion increase in wages and salaries and J$33.1 billion increase in capital expenditure (of which Air Jamaica accounts for J$22 billion).

The overall fiscal deficit is expected to come out at 6.5 per cent of GDP, which in nominal terms is approximately J$80.8 billion. Of the total fiscal deficit: $48.2 billion is expected to be sourced locally and J$31.3 billion is expected to be sourced externally. Overall fiscal deficit, which takes into account amortization, is expected to reach J$177.6 billion. The Primary Balance is expected to achieve the IMF target of J$83.3 billion or approximately 7 percent of GDP.

Budget Outlook In light of expected macroeconomic developments the budget seems credible; however the government has little room to maneuver. In our view the tax revenue growth assumption 8 percent is achievable. In FY 2009/10, real GDP growth was approximately -3 percent and inflation came out at 13.3 per cent. In FY 2010/11 real GDP is expected to improve marginally to 0.5% and inflation is expected to subside somewhat to about 9.5%. Though the government will tap the local market for financing, the net new borrowing is not sufficient to result in an aggressive upward movement in the interest rates.

The Foreign Exchange Market

Significant US dollar inflows from International Financial Institutions such as the IMF and World Bank primarily facilitated appreciation in the J$ in May-June 2010. The expected continuation of such inflows will result in continued stability in the foreign exchange market. For the remainder of FY 2010/11, we do not believe that the appreciation will be substantial as the major foreign exchange earners will likely remain weak. Visitor expenditure is expected to remain weak as average expenditure per tourism wanes. Remittance inflows are also expected to remain weak on account of high unemployment levels among immigrant workers in the major source areas.

On the upside, Alumina/Bauxite foreign exchange earnings are expected to gradually pick-up as production resumes in short order, at two of the three major plants.

SOVEREIGN CREDIT RATINGS

Earlier in the FY 2009/10, Jamaica received a range of credit rating downgrades to CCC. Indeed, as the Government sought to pursue the Jamaica Debt Exchange (JDX), the agencies viewed the action as a selective default. However, the effective way in which the JDX was implemented as well as the immediate impact on the debt profile, led to credit rating upgrades to B- by three international rating agencies.

CREDIT RATINGS OUTLOOK: In light of our expectation relating to the sovereign risk indicators, we believe that the nation's credit rating will likely remain unchanged over the next 2 years assuming the nation passes all IMF tests.

Some concerns remain as the:

- Public debt burden will likely remain at 140% of GDP
- Fiscal deficit as a per cent of GDP, projected at 6.5% for FY 2010/11, is high by international standards.
- Significant wage cost overhang could create challenges in the future, as fiscal space is expected to remain tight.
- Projected low growth and gradually declining inflation are indicative of low future growth in tax revenues.

However, there are positives in the Jamaica economy for FY 2010/11:

- The outlook has improved on the Balance of Payments side.
- The current account deficit, though still high at -8.8% of GDP, is expected to gradually decline to approximately -5.5 per cent of GDP by FY 2013/14.

Senior Economist and Sovereign Research Manager, Jermaine Burrell makes investment recomendations to attendees at the Institute of Chartered Accountant Seminar at the Jamaica Conference Centre

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Standing Together for Jamaica's Sustained Growth:
The Jamaica Debt Exchange

As an indigenous financial institution, JMMB is committed to the social and economic growth of Jamaica and the wider region. As such, we stand for initiatives which will prove beneficial to sustained growth and development.

In January 2010, on the approval of the Board, JMMB played a pivotal leadership role in the most far-reaching economic initiative undertaken in Jamaica for decades, the Jamaica Debt Exchange (JDX) Programme. Indeed JMMB gave critical support putting forward a core team of experts who developed financial models and recommended a similar idea for debt restructuring in 2003. Our Group CEO, Keith Duncan, was one of the first private sector leaders to voice support of the 2010 initiative as a means for the Jamaican financial sector to make a meaningful contribution to easing the country's challenging fiscal situation.

JMMB saw this as a crucial part of its Corporate Social Responsibility.

A very pleased Keith Duncan, JMMB Group CEO, accepts a copy of 'Vision 2030 Jamaica' from Leila Palmer, Programme Director – the Plan Development Unit at the Planning Institute of Jamaica. JMMB has been a supporter of the development and collective implementation of the strategy. Sharing the moment are (left to right) Dale James, Sheldon Powe, Julian Mair and Paul Gray.

Indeed, at the launch of the JDX on January 13, 2010, Keith Duncan said: "JMMB stands ready to share the burden in closing the fiscal gap by supporting creative solutions that would lead to the reduction of Government interest expense in the short-term and improve Jamaica's fiscal profile over the long-term."

THE JMMB GROUP'S SUPPORT OF THE INITIATIVE INCLUDED:

- 100% participation of local Government of Jamaica (GOJ) instruments in JMMB's own investment portfolio in the debt exchange.
- Providing real partnership to guide our clients through every step of the process, by developing resource material, including an FAQ (Frequently Asked Questions) and other support documents.
- Working closely with the Jamaica Securities Dealers Association (JSDA) for an effective industry response.

Supporting Accountability, Transparency and Growth in committing support for the JDX, JMMB also called for the establishment of an independent body comprising representatives from the private sector and civic interest groups, to:

- Apply a structured approach to Accountability by local stakeholders as the Government implements the 3-year macro-economic programme designed in concert with the IMF.
- Lobby for a substantive national growth strategy, as debt reduction is necessary but not sufficient for Jamaica's sustainable future.

For its own part, JMMB continues to honor its commitment to clients, shareholders and Jamaica to monitor the implementation of the required initiatives, providing quarterly reports to the nation on Jamaica's progress against the agreed IMF targets. Indeed, we will continue to press for:

- Explicit growth targets
- Detailed plans to meet said targets
- Clear Accountability in management of the targets

It is important to note, however, that the JMMB Group looks beyond the medium-term to the long-term. As such, JMMB supports Vision 2030 for Jamaica, our country's first long-term National Development Plan which aims to put Jamaica in a position to achieve developed country status by 2030. It is based on a comprehensive vision:

> *"Jamaica, the place of choice to live, work, raise families, and do business".*

We will do our utmost to positively contribute to making Vision 2030 a reality and encourage all of our clients, shareholders and partners to embrace this Vision and contribute in as meaningful a way as possible, individually and collectively.

JMMB Group CEO Keith Duncan and Hon. Audley Shaw, Minister of Finance in deep discussion.

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Risk Management:
Value Maximization for Sustainable Growth

"A firm's value is maximized when management sets strategies and objectives that strike an optimal balance between growth and return goals and related risks, and efficiently allocates resources in achieving the Company's objectives. In other words, value maximization for stakeholders does not only depend on returns on investment but also depends on the ability of the business to continue to efficiently operate into the future. This requires continuous consideration and management of the risks to which the business is exposed."

*- excerpt from **JMMB Group Risk Policy***

The importance of the above excerpt was particularly reinforced during the crisis of the global financial markets in late 2008 and into 2009. While FY 2009/10 saw the steady, even if incremental, rebound of financial markets and global economies, the JMMB Risk Team continuously and deliberately considered the security of the Group's investments and future earnings through active risk management, in the interest of our clients and shareholders.

OUR PLANNING: RISK MANAGEMENT FRAMEWORK

The practice of risk management is deeply rooted in the JMMB culture. The Board, Executive Management, Team Leaders and Team Members alike are aware of and aligned on their roles and responsibilities in risk management. This Company-wide awareness augments the technical skills and expertise of those directly responsible for managing risk. In addition to employing risk management at an operational level, the practice of risk management is also an integral part of the strategic planning process where risk implications are a fundamental consideration in decisions taken.

JMMB's Board of Directors actively oversees the Company's risk exposures assisted by the Board Risk Committee. 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. At the management level, the Risk Management, Credit Management and Audit Committees convene at least once monthly, and more closely monitor the Company's risk exposures against approved policies and predetermined limits.

JMMB continues to effectively execute risk management activities by:

- Implementing effective and adaptive policies and processes for the ongoing identification, measurement and management of all risk exposures.
- Employing best-practice techniques in managing the various risks to which the Company is exposed; continuously upgrading our policies and processes to reflect these best-practices and strengthen controls.
- Ensuring the enterprise is adequately capitalized to protect against the effects of major shocks

Our risk management activities cover several risk exposures which are broadly categorized as follows:

Market Risk • Credit Risk • Liquidity Risk • Operational Risk

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OUR EXECUTION: RISK MONITORING & MANAGEMENT

Market Risk

Value-at-Risk (VaR) estimates, scenario analysis and stress tests are the primary methods used by the JMMB Group to monitor and manage exposure to market risk.

Value at Risk (VaR)

VaR provides an aggregate measure of the possible loss on investments over a specific time period and for a given probability, is a widely accepted risk metric used to manage market risk and is utilized by leading financial firms throughout the world. Stress tests and scenario analyses are employed to help identify risks which VaR analysis may not adequately capture.

JMMB performs daily calculations of a 10-day VaR at a 99% confidence level. The 10-day VaR is used on the basis that the Com pany should be able to hedge or dispose of its positions within that period. These values are reported to the Management Team an Board as a percentage of Economic Capital; an indication of the Company's ability to ab sorb losses based on adverse market move ments.

Note 29 (d) provides details of VaR levels throughout the financial year.

Interest Rate Risk

Management of interest rate risk is of special importance, as JMMB's investments are primarily in fixed income products. Duration analysis and estimation of re-pricing gaps are the tools which JMMB specifically uses to manage exposure to interest rate risk.

In the face of declining interest rates throughout FY 2009/10 and an expectation that rates would trend lower, JMMB sought to lock into higher interest rates and minimize re-investment risk by extending the duration of the portfolio. This strategy was subject to the duration limits prescribed by our investment policies and considering the likely effect of a debt restructuring on our portfolio. Notwithstanding, JMMB continued to hold a significant portion of its J$ fixed income portfolio in variable rate securities which are less sensitive to interest rate movements. This strategy mitigates the price risk from rising interest rates due to the fact that the coupon on these securities is reset at least every six months at a spread above current Treasury bill yields and thus are not usually valued at significant discounts. At the close of FY 2009/10, 41% of our J$ portfolio was held in variable rate securities.

> ***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.*

JMMB also adjusted its liability profile where possible to maximize its net interest income throughout the year.

Currency Risk

JMMB's currency risk policy dictates the risk tolerance of the Company to foreign currency risk and sets limits around which our exposures are managed. These limits are maintained by effecting hedge transactions where our next exposure to specific currencies would put us in breach of policy.

Note 29 (d) (i) provides additional details on our foreign currency exposures.

Credit 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 tolerance level for credit risk, which is actively managed by the credit risk team. For our lending activities, limits are set on credit exposures by various classifications, such as economic sector, collateral type provided, loan purpose and customer profile. JMMB applies rigorous quantitative techniques 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. Using our internally developed model and fundamental research, we assign ratings and determine exposure limits to counterparties arising from investment and funding activities. This is augmented with the use of fundamental research from third parties. These counterparties are actively monitored and their ratings updated based on their financial outlook.

Credit Risk *represents potential loss in value that may be incurred should a counterparty fail to fully execute its contractual obligations.*

Liquidity Risk

During FY 2009/10, JMMB expanded its liquidity risk policy making it more comprehensive, and also made further enhancements to its liquidity model to ensure more robust monitoring and management of the Group's liquidity and to better inform investment and funding decisions. The policy specifies minimum liquidity requirements for the business based on JMMB's liability profile as well as other guidelines and limits which provide stronger assurance that all obligations can be met even under very stressful market conditions.

Enhancements to our internal models allow us to measure liquidity gaps for all the major currencies in which we do business and for various maturity buckets and takes account of the effect of expected early encashment and re-investment rates.

Liquidity Risk *is the potential effect of a firm being unable to meet its financial obligations as they become due and at a practical cost, due to inadequate availability of funding. The inability to dispose of assets at a reasonable price, possibly due to disturbances in financial markets, also generates liquidity risk.*

JMMB's strong retail base of over 155,000 clients provided significant stability during the first half of the FY 2009/10 when liquidity conditions were particularly adverse in the wider market. As a Company, we continue to pursue a funding mix that is least volatile during stressful conditions. Available liquidity was also actively managed throughout the year to ensure that the business was aware of its cash and liquid securities available and that a minimum liquidity pool was maintained. The Company also held significant holdings of liquid securities which were easily converted to meet any unexpected demands.

Operational Risk

In order to mitigate such risks the Board and wider 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 the impact of disasters.

Operational Risk *The possibility of failed international process, system error, inappropriate activities, human error and dislocation due to external events, gives rise to operational risk.*

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 Committee. JMMB's Compliance Unit ensures consistency with regulatory and other legal requirements and ensures that relevant company policy is consistent with JMMB's values of honesty, integrity and transparency.

OPTIMIZING RETURNS FOR ALL STAKEHOLDERS

Strategic business decisions continue to account for the expected return on investments relative to the risks being taken; that is, JMMB employs a Risk Adjusted Return on Capital (RAROC) framework in allocating capital to its various uses. This approach to capital management will enhance profitability over the long-term and maximize returns to our stakeholders.

JMMB has sought to reduce its business risk and build a stronger institution through the diversification of its revenue streams and risk exposures. This is manifested in our increased emphasis on credit as well as our establishment of operations in other regional jurisdictions. The Company continues to vigorously pursue this strategy, accompanied with the development of risk management capabilities for these areas, as well as the continued implementation of best practices in risk management across the Group and the continuous strengthening of our expertise, as key components in reinforcing one of the Caribbean's leading indigenous financial institutions.

Entrenched in JMMB's core philosophies is its commitment to serve its stakeholders and ensure that the company's fortunes rebound to the benefit of employees, shareholders, customers and by extension the country and region. Thus, JMMB seeks to ensure that in the pursuit of its mission to be a "dynamic, international, multifaceted institution", it remains grounded in sound risk management practices. This will help to ensure that JMMB continues as a going concern into the foreseeable future and is able to continuously provide first class investment and financial services to its clients.

Powerful Long-Term Results:
Meeting Client Needs Through Genuine Relationships & Diversification

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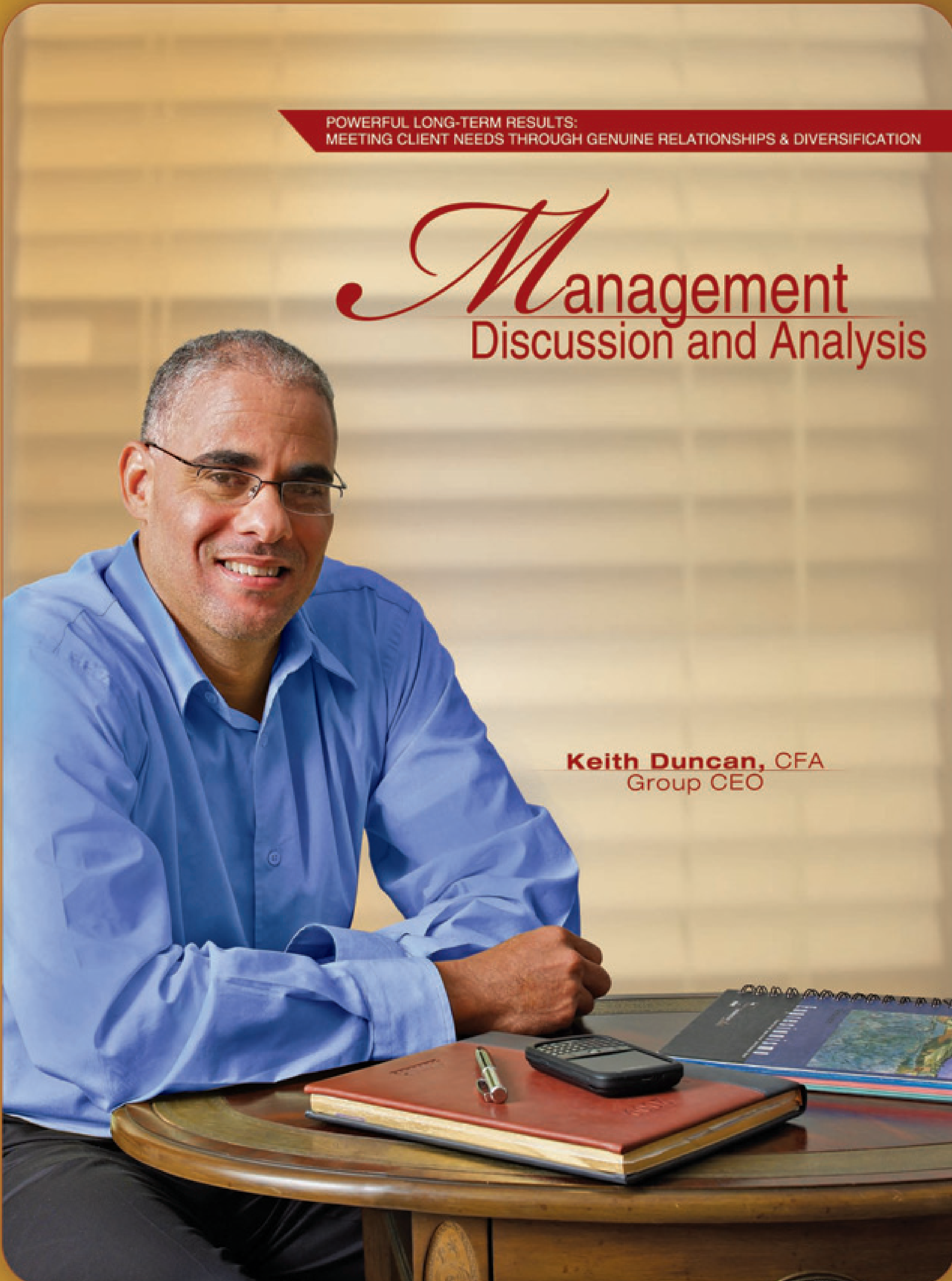
POWERFUL LONG-TERM RESULTS:
MEETING CLIENT NEEDS THROUGH GENUINE RELATIONSHIPS & DIVERSIFICATION

Management Discussion and Analysis



Keith Duncan, CFA
Group CEO

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POWERFUL LONG-TERM RESULTS:
MEETING CLIENT NEEDS THROUGH
GENUINE RELATIONSHIPS & DIVERSIFICATION

Management Discussion and Analysis

OVERVIEW

The JMMB Group is one of the largest financial services organizations in Jamaica, with assets of J$122 billion as at March 31, 2010. As a homegrown institution with a regional footprint encompassing Trinidad & Tobago and the Dominican Republic, we have built a robust company based on diversified business lines to effectively meet the range of financial needs of our client base of over 155,000.

For our three main client segments:

• Retail • Corporate • Institutions

We deliver the following holistic products and services through our various business lines and companies:

- Financial Planning Services
- Pensions & Retirement Planning
- Home Equity & Motor Vehicle Loans
- Commercial Loans
- Fixed Income Investments
- Liquidity/Treasury Management
- Bonds
- Equities
- Cambio & Wire Services
- Life & Health Insurance
- General Insurance

STRATEGIC DIRECTION FOR FY 2009-10

The importance of regional and business line diversification for long-term sustainable business growth was reinforced during FY 2009/10, as the economies of both Jamaica and Trinidad & Tobago experienced significant challenges as a result of the fallout from the global recession, with Jamaica being the most volatile.

The Dominican Republic economy, while negatively impacted by the fallout as well, continued on a growth path.

In light of the foreseen macro economic challenges and opportunities for FY 2009/10 in the home country of the Group (Jamaica), our strategic focus for 2009-10 included:

- Reinforcement of core income primarily through Asset Management and introduction of new business line, JMMB Retirement Solutions (JMMB RS).
- Managed growth in the Loans business line, while ensuring credit quality in spite of the challenging economic environment.
- Even sharper focus on aggressive cost management.
- Operational re-alignment of JMMB Insurance Brokers (JMMB IB) towards the more extensively required and stronger revenue line of General Insurance.
- Further building out the Money Market for different client segments in the Dominican Republic, while also identifying additional growth opportunities.
- Continued commitment to building stronger relationships and fulfilling the financial life-needs of our diverse client base in JMMB's signature way.

The results of these efforts have yielded a solid outcome for the JMMB Group for FY 2009/10, with a strong baseline for sustainable profitable growth across the operations locally and regionally.

GROUP FINANCIAL PERFORMANCE FY 2009-10

For the financial year 2009/10 (FY 2009/10) the JMMB Group recorded a trend of consistent and increased quarterly growth performance posting Group profits of $986.3 million and a Return On Average Equity (ROAE) of over 16%. After successfully navigating an extremely volatile FY 2008/9 and notwithstanding the significant challenges of the FY 2009/10, the JMMB Group continued on a sound path, placing core revenues on a sustainable upward trajectory by leveraging its financial expertise and implementing key strategic initiatives.

The proactive and client-responsive JMMB team focused on the efficient implementation of select strategies for FY 2009/10 as we successfully maneuvered through the ups and downs of the year. These efforts yielded solid and increasingly improved results for each quarter during the year.

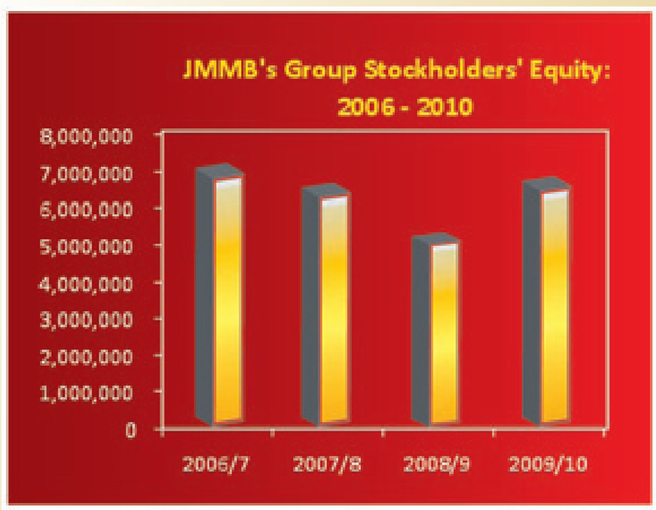
SUMMARY OF QUARTERLY RESULTS

	Q1	Q2	Q3	Q4	Total
	30-Jun-09 $'000	30-Sep-09 $'000	31-Dec-09 $'000	31-Mar-10 $'000	31-Mar-10 $'000
Gross Operating Income	3,818,550	3,711,166	3,713,520	3,468,249	14,711,485
Total Operating Income	627,108	732,388	808,938	927,244	3,095,678
Administrative Expenses	(481,543)	(543,367)	(540,902)	(543,316)	(2,109,128)
Operating Profit	149,984	193,875	272,229	386,104	1,002,192
Profit before Income Tax	160,702	205,407	287,489	374,715	1,028,313
Earnings per Stock Unit	10 cents	14 cents	20 cents	23 cents	67 cents
ROAE	2.65%	3.43%	4.56%	5.52%	16.15%
Total Assets	118,747,559	124,440,107	123,495,582	122,975,370	122,975,370
Stockholders Equity	5,844,642	6,328,227	6,610,296	6,890,736	6,890,736

- **JMMB Group Asset Base** grew 10.6% from $111 billion to $123 billion over the financial year which was primarily driven by growth in its investment portfolio.

- **JMMB Group's Liabilities** grew from $106 billion to $116 billion which was driven in main by an increase in funds under management from Retail and Corporate client segments.

- **JMMB Group Equity** grew from $5.3 billion to $6.9 billion, consistent with the solid capital baseline required for continued sustainable growth going forward. The main contributors to this growth were an increase in retained earnings from $6.5 billion to $7.3 billion and a decrease in investment revaluation reserve from $1.5 billion to $825 million.



- **Total Operating Income (Operating Revenues Net of Interest Expense)** normalized at over $3 billion – a reduction over the previous financial year which was characterised by significant extraordinary income.

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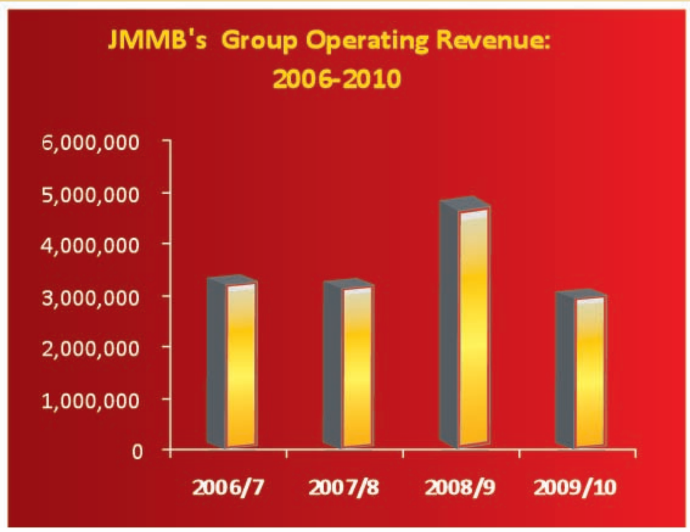
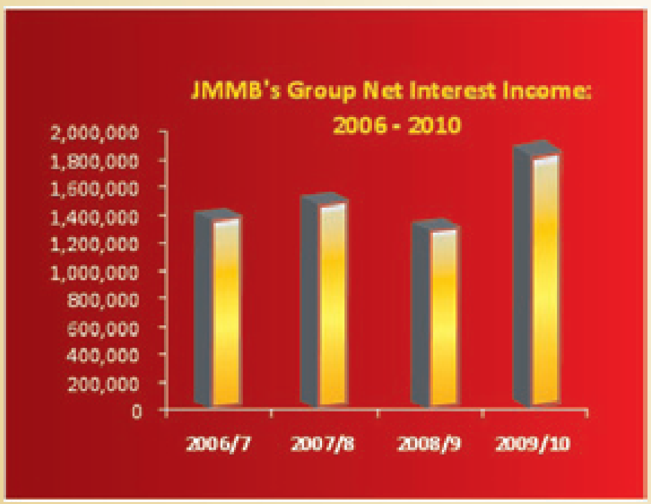
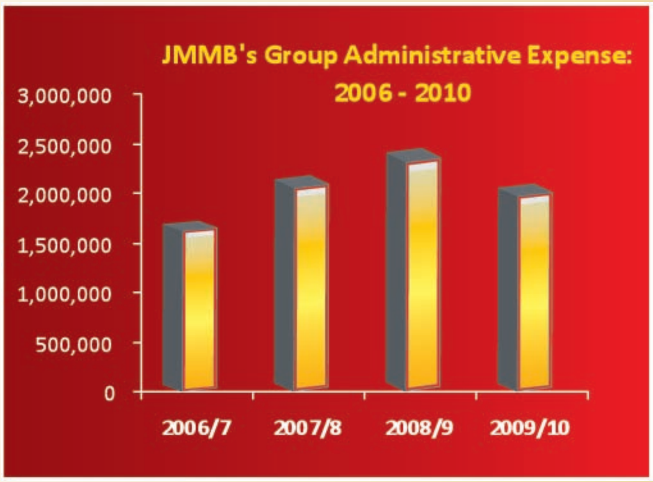


- **Net Interest Income** increased by 40.6% over the financial year, moving to $1.9 billion – this significant increase was achieved through growth in the balance sheet and active asset liability management. Though participation in the Jamaica Debt Exchange (JDX) impacted the 4th quarter, and will continue to impact the upcoming quarters in the FY 2010-11, the long-term benefit for the viability of the overall economy, including the financial sector, outweighs the short-term impact on this revenue line.



- Whereas FY 2008/9 saw significant extraordinary gains of $3.36 billion from 'foreign exchange and gains on securities traded' due to the significant devaluation in the Jamaican dollar against its US counterpart in the wake of the global economic crisis that ensued in late 2008, FY 2009/10 saw the **normalization of gains on securities traded line** item with an income of JA$961 million.

- **Administrative Expenses** declined by 14.1% from $2.455 billion to $2.1 billion over the previous financial year despite the increase in headline inflation. This reduction was underpinned by prudent decisions made in the previous financial year to reduce administrative expenses through a strategic re-alignment process and JMMB Jamaica team members giving 100% commitment even while agreeing to a wage freeze over the FY 2009/10. These key factors, supported by aggressive management of costs, contributed significantly to the reduction of overall administrative expenses.



- **Due to the focus on reinforcing a solid capital base, particularly in the wake of the volatile global financial markets of FY 2008/09 and the challenges in the local economy in FY 2009/10, we pursued a conservative Dividend Policy with a payout ratio of 17.9% and dividends per stock at 12cents in 2010.**

- Our **Risk-Based Capital Adequacy Ratio**, which measures the company's overall strength, continues to exceed the regulatory requirements. The company's capital to risk-weighted assets stood at 44.6%, whereas the Financial Services Commission (FSC) benchmark stipulates a minimum of 14%. Capital to total assets ratio was 8.4%, whereas the FSC benchmark is 6%.

BALANCE SHEET MANAGEMENT

For FY 2009/10 our portfolio of assets and liabilities continued to be managed very a astutely through the:

1. Selective acquisition of conservative assets.
2. Deliberate and consistent focus on the FX. position of the balance sheet to reduce our long US$ position (generated as a result of the volatility in the global financial markets FY 2008/9).
3. Sharper and segmented management of cost of funds, which was critical to achieving our Net Interest Income targets.

In light of the Jamaica Debt Exchange (JDX) where high-yielding assets were swapped out of low-yielding instruments with longer maturities, we have had to develop new strategies to offset this negative impact while meeting the obligations of clients who had locked in higher rates for longer periods of time.

For 2010-11, we continue to pursue the above strategies as well as:

4. We will continue to pay out expensive liabilities and re-price these liabilities at the new market rates.

As the FY 2010/11 progresses, we expect to see recovery from the JDX and our Net Interest Income numbers recovering to above and beyond the FY 2009/10 numbers.

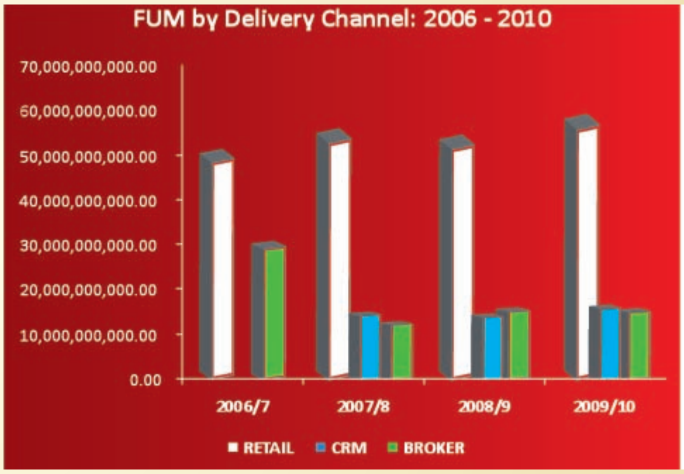
OUR BUSINESS LINES, SUBSIDIARIES AND ASSOCIATE COMPANIES: 2009-10 PERFORMANCE & DIRECTION FOR 2010-11

Below is a review of the key performance factors and strategic direction for JMMB's range of diversified business lines, subsidiaries and associate companies.

JMMB JAMAICA: JMMB LTD

Fixed Income Funds Under Management

Despite the increased competition from other financial players, JMMB continues to post significant growth in Funds under Management through its Retail and Corporate client base. Whilst funds under management from Institutional clients remained stable over the financial year, growth in the Retail and Corporate client base was significant, with a growth rate of 10.65% or approximately $7.3 billion over the previous financial year. Our Corporate client base grew by over 17.3% from $14 billion to $16.5 billion in funds under management from large corporate entities, whilst our Retail base grew by 8.9%, from $54.6 billion to $59.4 billion as strategies to deepen the relationship with our retail client base, and penetrate and effectively serve our small and medium-size enterprises (SMEs) proved fruitful.



For FY 2010/11, the focus in the fixed income area for Retail will be targeting the Serious Saver client segment in innovatively packaging JMMB's relevant suite of products to enable the target segment to achieve their savings goals faster, which also enables JMMB to build its retail funds under management. JMMB's product development and management strategy is tailored to ensure that we have products to meet the risk appetite of all our clients (retail and corporate). For the Corporate Relationship Managers (CRM) team, the focus will be on consistent delivery of cash management services and commercial loans to medium-large corporates as well as institutions.

LET'S BE POSSIBILITY THINKERS NOW

Pensions

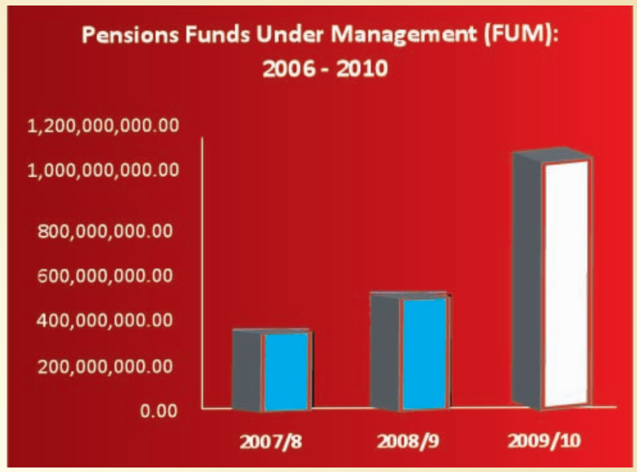
In September 2009, the JMMB Group rounded out our offering in the Pension business line with the official launch of JMMB Retirement Solutions (JMMB RS) to groups and individuals in the Jamaican marketplace to meet their retirement needs. This complements our JMMB Investment Management Services and Pension Administration which is geared towards the provision of effective and efficient Superannuation Fund Management.

In designing our product and service suite we ensured that our expertise in investment management and our knowledge of the pensions legislative landscape was employed to address the current and imminently foreseeable challenges of the pension investor. We also recognized that with the novelty of this offer in the Jamaican marketplace we had a tremendous obligation and opportunity to ensure that investors were properly informed and advised regarding the areas to consider and their options in planning for their retirement.

With these factors in mind we designed our offerings and our delivery of these offerings to ensure that the challenges of the pension investor and trustee were overcome. This design includes flexibility in fund strategies to suit the risk tolerance and retirement objectives of our clients.

In addition, and in keeping with our commitment to efficiency and excellence in platform delivery, we employed best-in-class pension administration software to enable personalized convenient online access. This inclusion in our process design makes our communication easily understood and readily available in a timely manner to all our pension clients.

Our approach to the development of this business line, consistent with our brand to be in the world of our clients, has borne fruit. As at March 31, 2010 our actively managed pension portfolio, comprised of superannuation funds and retirement schemes directly under JMMB Retirement Solutions, increased by 119%, from $519 million to over $1 billion.



FY 2009/10 proved that the JMMB retirement offering, coupled with the JMMB signature level of service and financial planning advice, have provided for many individuals a clear plan for the way forward and a real sense of comfort in knowing that their retirement needs are addressed with the right partner.

Carl Aldridge - Manager, Pension Fund Business Development, discusses Retirement Solutions after redundancy with an employee at the Alpart Expo.

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The outlook for the Pension Business line is more than encouraging, given what we already have in the pipeline. For the FY 2010/11 we intend to increase the number of superannuation funds as well as the number of JMMB RS contributors significantly. The recent spate of redundancies, though painful at the individual level, continues to provide opportunity for us to present positive solutions to these individuals who are often quite troubled by their first outlook for the future. At the same time, over 90% of the employed Jamaican population remains without a formal retirement plan.

The JMMB team is very excited about the possibility of supporting more Jamaicans in achieving this peace of mind for the future. We encourage every Jamaican to 'Walk with us, Walk Good and Rest Easy..........' Our strategy for FY 2010/11 is therefore to integrate these pensions products and services within our financial planning sessions as a part of the holistic financial solutions provided by the company.

Equities

The FY 2009/10 was characterized by challenges for all stakeholders and the Jamaican equities markets reflected the challenging investment climate. Consistent fiscal surprises; high interest rates on government bonds and a spiraling government debt resulted in investors favoring short-term money market instruments instead of equities, as companies throughout the country faced an unfavorable environment.

Notwithstanding, JMMB Securities Limited (JMMBSL) maintained its position as the number one broker in terms of number of transactions processed and posted an increase in net profits of 22.4% over the previous financial year to $28.2 million. This performance is consistent with the company's commitment to provide investors with access and swift execution of trades via our expanded branch network and online delivery channel. In addition to receiving efficient execution of trades, clients of JMMB Securities Ltd can access our research to aid in their analysis and stock selection.

The successful completion of the Jamaica Debt Exchange Initiative (JDX) during January – February 2010, was a catalyst for the Jamaica Stock Market with the Main JSE index surging by over 16% to the end of March 2010.

Indeed, the improved fiscal outlook and low interest rate environment augurs well for the equities market and JMMB Securities Ltd is firmly poised to deliver our signature value proposition of superior research, as well as swift and efficient trade execution across the local and regional stock exchanges .

JMMB Securities Limited wishes to celebrate our own Donette Johnson – Senior Equities Trader, who skillfully applied her superior stock picking prowess in the Caribbean Masters Competition and delivered a return on investment of over 1000 percent and was named the winner of the competition for 2009/2010.

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Bonds

The success of the (JDX) in February 2010 as a pre-condition to an IMF deal, injected renewed enthusiasm in Government of Jamaica Global Bonds. Under the JDX, domestic investors were invited to exchange their high-yielding locally-issued Government Debt, in exchange for lower coupon-paying instruments with modified maturity dates. This exchange, it is believed, will provide the Government with significant savings in terms of interest costs, together with funding lines from varying multilateral institutions. With the Government having access to significant funding through over multilateral support, concerns around the sustainability of the debt burden was significant reduced, triggering renewed external and domestic interest in the bonds. As a result, bond prices have surged by greater than 10-points or 10% since the start of the financial year and March 31, 2010.

The successful dematerialization of the domestic debt under the Jamaica Debt Exchange (JDX) Programme represents a significant milestone in Jamaica's financial history. It brings greater efficiency to the market and will increase the overall trading in domestically issued Government of Jamaica Securities. This means the average investor can purchase bonds and on settlement date have ownership and title transferred immediately.

As a consquence, for FY 2010/11, we believe that as interest rates trend downwards, investors will turn to the bond market in search of higher returns and JMMB being the largest broker dealer is strategically positioned to fulfill the needs of our clients through our Asset Management Services.

Another potential benefit that the dematerialization of the domestic debt brings is the possibility of improving the notion of price discovery.
For this to occur the bonds would be listed on an exchange where they are traded (similar to stocks) allowing for openness and transparency. The Jamaica Stock Exchange (JSE) is well advanced in seeking to make this a reality.

Credit

The Credit Business Line is still in its infancy, having been formally launched a little over two years ago in late 2007. While the build-out and development of the Credit Business Line is one of the company's key diversification objectives for the medium-to-long term, the macro economic factors of FY 2009/10 in Jamaica, with the significant increase in interest rates, the recessionary impact on the local economy due to continued effects of the global crisis, and resultant negative effect on companies and their employees (including increased redundancies), led to the strategic decision to carefully manage the growth of the loan portfolio. This was particularly important in light of increased loan delinquencies being experienced by other players in the financial sector.

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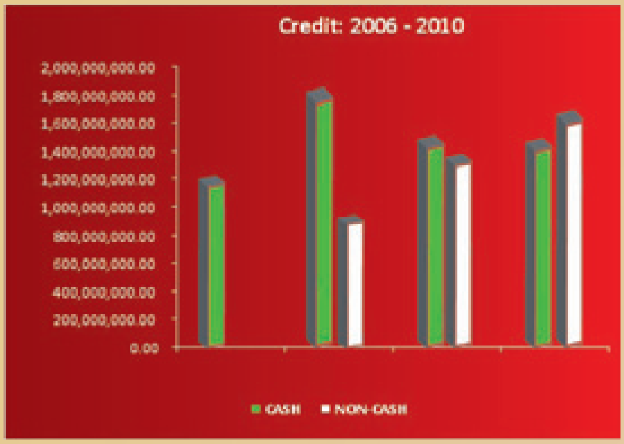
Loans as at March 31, 2010 (before provision for loan losses) stood at $3.13 billion, an increase of 8.74% over the previous year. It is noteworthy that 46.7% or $1.46 billion of the portfolio is comprised of loans backed by cash/cash equivalents thereby reducing the overall risk in the portfolio.

As per the requirements of International Financial



Reporting Standards (IFRS), provision for loan losses of $24.39 million was established which represents 0.77% of gross loans. The provision reflects a reduction of $9.12 million over the previous year which is a consequence of recoveries on delinquent accounts. The loan loss provision is reviewed quarterly to account for changing market conditions and further potential exposure in the credit portfolio.

The company has made great strides in strengthening its credit and risk management framework, through the refinement of existing policies and procedures, which ensures that the risk culture and attendant practices are compatible with the changing macro and micro environment. Training and development of the credit team is on-going and is considered critical to developing technical competence and to hone skills geared towards meeting the growing needs of customers.

Consistent with the corporate-wide philosophy of improved client intimacy, the first of a series of steps that have been taken toward this objective is the upgrading of our management information systems, which is expected to deliver many efficiencies and capabilities from its utilization, but most importantly will result in improved service to our customers. The upgrading should be completed within the current financial year.

Given the initiatives being undertaken, the business of credit is well positioned for a bright year facilitated by positive indicators of change locally. The recent JDX programme carried out by the government has resulted in a dramatic reduction in interest rates and has served as one of the major stimuli for loan growth.

Against this background, we will continue to actively monitor and respond to the financing needs of existing and potential clients with products

Talking Credit JMMB Credit Manager, Dianne Bolton (right) outlines the advantages of JMMB's Motor Vehicle Loan and Motor Smart Pak for eager guests who stopped by the JMMB booth at an event.

tailored to address their special needs as they move through the various stages of the financial life cycle with a view to ensuring that there is mutual exchange in value.

For FY 2010-11, JMMB's penetration in the credit market will be focused on niche areas where we believe we are able to competitively and cost-efficiently provide credit solutions to clients. We will therefore focus our strategies around the delivery of:

1. Re-financing of fixed rate loans (typically held at commercial banks) with greater flexibility in equity and repayment options
2. Motor vehicle financing
3. Commercial loans for small and medium-sized enterprises (SMEs), whose owners are seeking to expand or re-tool their businesses.

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We believe that with our in-house expertise and synergies created with experts in these areas of financing, we are able to provide the best solution for our clients. Emphasis will also be placed on improving our service delivery by ensuring optimal turn-around time in responding to credit requests and providing additional advice where necessary to meet approval requirements.

D.C. Tal Stokes, (right) Managing Director of Aeromar Logistics (AmLog) shares a light moment with Imani Duncan, then Manager, Corporate Solutions and Mark Johnson, CEO, International Asset Services at the unveiling of JMMB's Corporate Solutions.

Cambio Business Line and Foreign Exchange Market

Following greater than 20% devaluation of the Jamaican dollar at the end of 2008/2009 that was brought about by the global recession and volatility in the international financial markets, the Jamaican dollar exhibited a high degree of stability for the FY 2009/10 registering a devaluation of only 0.78% (using the published BOJ average selling rate). This stability was achieved despite a year of tremendous uncertainty, through the 'moral suasion' initiative undertaken by the Central Bank and supported by the financial sector. This factor, which resulted in very tight margins, coupled with reduction of supply of the US$, led to margins from cambio trading declining year over year from $171 million to $107 million.

The Government's ability to solidify an IMF deal in February 2010 further strengthened market confidence with the expectation of continued stability in this market for the rest of FY 2010/11.

JMMB, with its extensive branch network and online capabilities to request FX transactions, continues to enhance the experience of our more than 155,000 clients by making the exchange seamless with very competitive pricing. This has allowed us to maintain our position as Jamaica's second largest Cambio operation, providing services islandwide through our branch network to our extensive client base.

For the FY 2010/11 we will seek to increase our cambio volumes via direct advertising to our retail client base and continued market penetration with SMEs through JMMB Corporate Solutions.

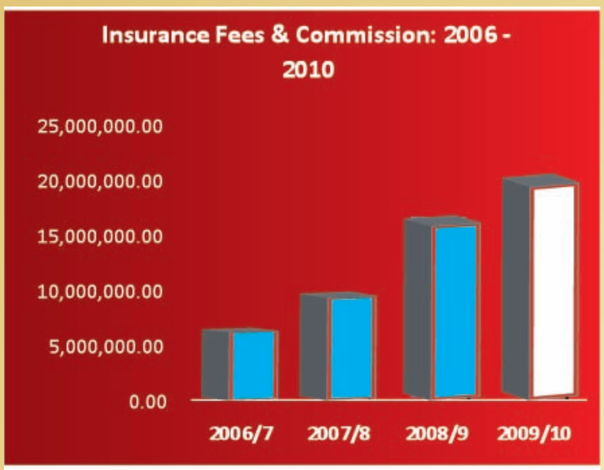
JMMB JAMAICA: JMMB INSURANCE BROKERS LTD

The FY 2009/10 marked a significant turnaround for the subsidiary JMMB Insurance Brokers (JMMB IB). Quite a few significant achievements were realized through:

Cecile Cooper, Managing Director

- Partnerships
- A new product line, which has afforded us the opportunity to better service the needs of our clients
- Cost reduction
- Improved levels of efficiency by optimizing the use of technology

Already there has been a turnaround in the right direction as JMMB IB's revenue increased by 23% over the previous year. The company also recorded a 22% reduction in our administrative costs, resulting in a 59% improvement on the bottom line.



A High Performance Team

In order to achieve the desired results for the re-focused organization, it was imperative to build a strong team of insurance professionals particularly in the general insurance arena. Together, the team brokered important alliances with a number of insurance companies and industry-related agencies. This has proved to not only strengthen our presence in the market, but has allowed JMMB IB to be more competitive in the drive to provide our clients with the best rates and terms. We have shown that JMMBIB is not just another broker. We are clear that in keeping with the JMMB Group's Brand essence, our clients are at the heart of what we do, so our team is committed to delivering insurance such that our clients feel like family as we serve them in the true JMMB atmosphere of love and respect.

Client Focused Product Solutions

During FY 2009/10, JMMB IB focused on the efficient delivery of value-added general insurance products geared towards meeting the insurance needs of clients. With this focus, the subsidiary introduced a suite of "Smart Pak" products for retail – the "Motor Smart Pak" – and commercial clients – "Smart Biz" – which offer significant premium savings when compared to similar insurance products available on the market. The suite has gained much market interest and has bolstered the revenues for the subsidiary.

Whilst the retail line of business will continue to be the major driver of our operations, JMMB IB nonetheless recognizes the opportunities that are present with the thrust toward the development of our economy through the establishment and growth of small to medium sized enterprises (SMEs). The expansion of the SME market has sparked renewed interest in risk management. To respond to this need, a new service delivery model was developed whereby a new line of products was established to service our corporate clients.

JMMB Insurance Brokers Sales Manager, Winston Skeen (left) eagerly shares JMMB's client focused insurance solutions at the Mandeville 'Possibilities in Action' Forum.

Notwithstanding the strategic shift towards general insurance, the subsidiary continues to maintain its Life and Health insurance offerings as well as Employee Benefits as the team continues to provide the relevant range of insurance solutions to meet client needs.

Operational Effectiveness

During the FY 2009/10, special emphasis was also placed on enhancing the timeliness, quality and efficiency of service delivery to ensure consistency across the JMMB Group. Improved levels of efficiency were also gained by optimizing the use of technology and implementing additional resources, including an expanded pool of insurers, and automation of key processes.

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For FY 2010/11, **JMMB Insurance Brokers** continues its focused growth strategy geared towards adding value for clients while extending its reach in the Insurance industry. The team has effectively positioned itself as a contender for increased market share in the General Insurance industry and will primarily concentrate on that business line. With the recent roll-out of the Smart Pak solutions for Retail, SME and Corporate clients, the JMMB IB team will focus on and be supported by the Group in effective marketing and cross-selling these products across the wider client base through holistic financial planning. The team will also continue to expand its product suite through exclusive packages and deepened alliances with selected carriers. These revenue strategies will be pursued while strengthening internal efficiencies and structures to ensure the seamless delivery of our products and services – all combining to support our objective for growth and profitability in the coming year.

CHARTING THE WAY FORWARD IN JAMAICA – OUR STRATEGIC DIRECTION FOR 2010-11

Our strategic focus over the next financial year is to:

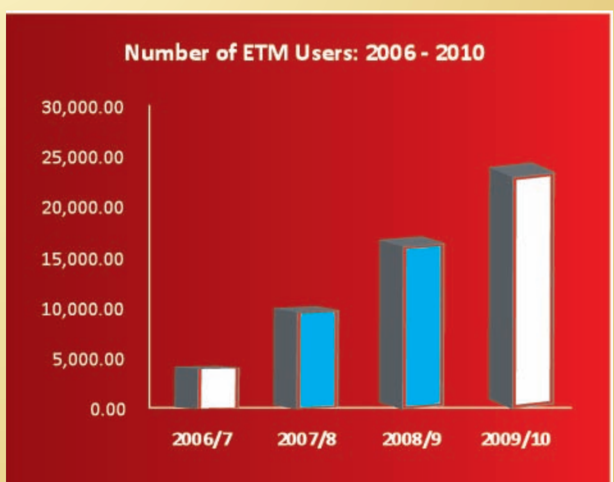
1. **Further strengthen our client intimacy skills, and**
2. **Build our competence and expertise in cross-selling our new and traditional business lines.**

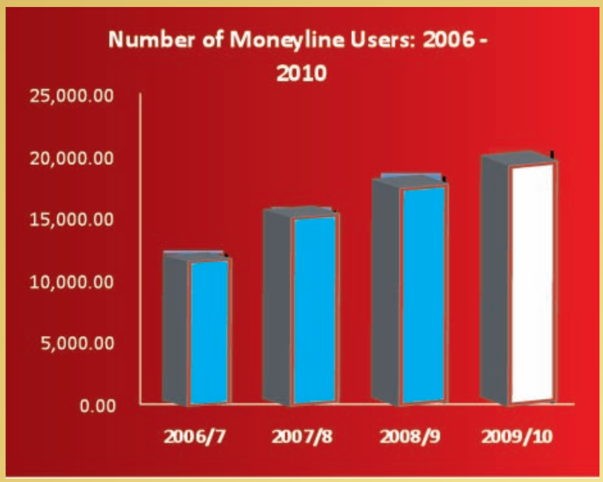
This is our focus while ensuring that we work together as a team to improve the client experience and champion the core values detailed in our Client Care Charter across all business lines.

We believe that in the current economic environment of declining interest rates, JMMB has to stay very close to its extensive client base of over 155,000 which is a critical part of the foundation upon which we look to build. We therefore see these two focal points, these strengths, as important in driving revenues which, coupled with increased operational efficiency, will deliver sustainable profitability thereby creating long-term value for our clients and shareholders. As such, emphasis will be placed on building core competencies in **cross-selling** and **client intimacy,** allowing us to mention and-create engaged clients who see JMMB as their trusted financial partner and preferred choice for financial products and services.

STRATEGY BY MARKET SEGMENT
JMMB's Personal Financial Services: Our Strong Retail Network

The Retail Network continues to employ a customized approach in responding to the financial needs of its client base. This year the team will penetrate the market primarily by deepening its relationships with and cross-selling to its existing client base. In understanding the unique financial demands of target client segments through client mixers and seminars as well as financial planning services, the team will seek to increase and optimize client access through its various delivery channels such as the Electronic Transaction Machines (ETMs), Regional Sales Representatives and 24/7 online 'Moneyline' access.





JMMB Mobile Branch

The JMMB Mobile Branch was launched in July to enable us to extend our product and service offerings to greenfield areas of Jamaica.

JMMB Group Executive Director, Donna Duncan-Scott addressing attendees at the 9th Annual Caribbean Bursar's Conference on the topic, 'Success No Matter What' under the theme 'Education Institutions: Managing In a Recession'. She advised participants to consider the recession an opportunity and not a crisis.

Lisa Gaye Burton, Santa Cruz Branch Operations Manager invites a guest to 'step inside' the mobile unit to get exceptional client care, the JMMB way.

Having effectively utilized the JMMB Mobile Branch to introduce JMMB to the people of Junction, JMMB will also increase its presence in St. Elizabeth through the **opening of a new agency in the Junction area**.

To augment its strategy, the network will be launching a new product called **JMMB Savings Booster** that will provide customized plans, partnership and reward for clients who are seeking to achieve a medium-term goal through committed savings.

The Financial Lifecycle for the Individual & JMMB's Holistic Financial Solutions

We recognize that everyone's lives and goals are different, and there is no turn-key or one size fits all solution for managing ones finances and meeting financial goals. As a result, JMMB has taken a financial lifecycle approach to Financial Planning, allowing us to customize solutions aimed at meeting the needs of our clients at each stage of their lifecycle. Every individual has a financial life cycle.

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It is therefore important for clients to understand where they are in the cycle, especially for those serious about saving, improving their financial well being and achieving goals.

JMMB'S CORPORATE SOLUTIONS: TARGETED GROWTH THROUGH PARTNERSHIP

The Corporate Solutions (JMMB CS) team endeavors to provide superior customer service and flexible financial solutions to large and medium-sized Commercial, Corporate, Institutional and Government clients. With the application of its Business Diagnostic tool & business cycle the team seeks to understand the objectives and practices of its clients and proactively recommends financial solutions to meet their needs at each point in the cycle. Through this partnership, our Corporate Relationship Managers (CRMs) are able to build lasting client relationships which translate into a win/win solution for both our clients – as we protect and enhance their wealth, and for JMMB – as we increase market share in these client segments.

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THE FINANCIAL LIFECYCLE FOR THE COMPANY & JMMB'S CORPORATE SOLUTIONS

BUSINESS STAGE	PRIMARY BUSINESS OBJECTIVES	PRIMARY ACTIVITY OF BUSINESS OWNER	BUSINESS OWNER NEEDS	JMMB CORPORATE SOLUTIONS APPROACH	OUR PRODUCT & SERVICE SOLUTIONS INCLUDE
EARLY GROWTH	Survive and thrive in competitive market	1. Build a company that stands out from competitors 2. Profitably grow a customer base 3. Generate new ideas while maintaining fiscal health	1. Optimize cash flow 2. Manage revenue growth 3. Produce operating capital 4. Meet unexpected cash needs	Our Financial Advisors in our branches get to know your business. Assisted by Investment Specialists they will help you streamline cash management as you grow your business.	• 24/7 online account access through **Corporate Moneyline*** and the **CMMA** (US$ or J$) a. request cheques to pay your suppliers in any currency b. pay international suppliers via same-day wire transfers • Integrate and streamline cash management, financing and short-term investing through our **CMMA** and **Cash Secured Loans**
EXPANSION	Increase sales, gain market share	1. Develop new markets 2. Grow and maintain loyal customer base 3. Expand products and services	1. Optimize cash flow 2. Finance further growth 3. Attract and retain team members	Your JMMB Partner will take the time to truly become a part of your world by listening to your needs and utilizing our **Business Diagnostics®** approach. We will design potential solutions to meet your needs whether they are business lending, cash management or retirement planning or management.	• Automatically transfer your funds to our higher yielding **CMMA Account** with our **Sweep Option**. • Borrow only what you need without costly interest expense – **Commercial Line of Credit.** • Expand your business through **Commercial Real Estate Financing** or with **Working Capital Loans** • Protect your business investments and attract the right team in a cost-effective way with our: - **Group Life and Health Insurance** - **JMMB Retirement Scheme** - **Commercial Property Insurance**
MATURITY	Manage profits	1. Maintain fiscal control, steady cash flow 2. Seek business investments for potentially higher returns 3. Streamline cash management	1. Control costs 2. Optimize business investments 3. Optimize income on surplus cash	Your JMMB Partner will carefully consider your overall financial picture and business needs, including cash management, financing and long-term investments in keeping with your overall objectives. Your Corporate Relationship Manager or Financial Advisor will show you a range of investment choices to consider in light of your risk tolerance and liquidity needs.	• Increase borrowing power without liquidating assets with our **Commercial Cash-Secured Loans** • Get flexible financing with our **Equipment Financing** • Choose from a wide array of **Investment** alternatives, including **Structured Notes**, to optimize your returns • Benefits planning for you and your employees with experts who deliver 'inflation +' returns – **JMMB Pensions Investment Management Services**
TRANSITION	Plan orderly succession strategy Plan orderly acquisition or merger	1. Assure strong management team is in place 2. Plan tax-advanced exit that maintains what you have built 3. Seek compatible partnership opportunities 4. Implement sound transition strategy that ensures orderly succession.	1. Revitalizing 2. Planning Succession 3. Maximize value of your company for sale.	Your JMMB Partner will listen carefully to your goals and direct you to the right experts in the areas of business sales and divestitures and/or succession planning.	Exit the business through a merger or sale – **JMMB's Structured Finance Unit** leverages their investment banking expertise for you and connects you with specialists in M&A services.

* Corporate Moneyline coming soon

Every business goes through a financial lifecycle: from cash flow management to preserving earnings and developing new sources of revenue. JMMB works effectively with businesses in the stages 'Early Growth' through to 'Transition', partnering with clients to develop a sound investment strategy, to access cost-effective working capital, design the most appropriate company retirement benefits, amongst the provision of other relevant solutions to support the company's financial needs.

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REGIONAL DIVERSIFICATION: JMMB'S DOMINICAN REPUBLIC OPERATIONS

The team in the Dominican Republic remains focused on market penetration strategies, targeting Corporate and high net worth segments as well as financial institutions.

FROM LEFT TO RIGHT TOP ROW GENTLEMEN:
Jesus Cornejo - Treasury & Client Relations Head
Curtis McDowell - Operations & Technology Head
Guillermo Arancibia - Country Manager
Juan Jose Melo - Investment Banking Head

LEFT TO RIGHT BOTTOM ROW LADIES:
Patria Rivera - Financial Controller
Laura Aybar Alba - Office Manager & Relationship Officer
Veronika Ariza Baber - Marketing Manager & Relationship Officer
Luz Batista - Relationship Officer/Corporate Clients

JMMB continues its deliberate expansion strategy in the Dominican Republic, with focused growth in the existing operations as well as active identification of business opportunities in the local financial sector. During FY 2009/10, the Board of Directors for JMMB approved the 80% acquisition of Corporacion de Credito America S.A. (CCA), enabling the provision of primarily savings accounts and loans to the retail market in the Dominican Republic. In FY 2009/10, all subsidiaries began working together and are synergized to proactively achieve sustainable and profitable growth. The JMMB Group's operations in the DR spans:

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

JMMB BDI América Puesto de Bolsa, S.A.

Two and half years since the official launch on October 24, 2007, JMMB BDI América has established a solid foothold in the Dominican Market, including Financial Institutions, Corporates, Individuals, Local Regulators and main market issuers: Central Bank and Ministry of Finance. The customer base of this subsidiary now includes more than 250 clients from all economic sectors.

Our flagship product SURE INVESTOR, still a unique market offering in the DR for repurchase agreement transactions, has been successfully integrated within clients´ investment portfolios, offering attractive interest rates, tenor flexibility and other innovative features such as cash flow with monthly payments of total returns[1]. These valued product features are augmented by excellent client care including documentation delivery and customized financial advisory services.

Fulfilling More of Our Clients' Needs

In addition to the core SURE INVESTOR product, JMMB BDI América began developing other product and service offerings for the target clients.

[1]The DR Sure Investor product is similar to the Income Builder product established at Group Head Office in Jamaica.

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In 2009, the team began to manage client custody accounts at the central depositary entity (CEVALDOM) and Trading and Primary Market bids on behalf of clients continue to grow. Through the local sister operations (in the JMMB Group), the company has been able to offer other business alternatives, such as lending products as well as Cambio transactions.

The team's commitment to building exceptional lifetime client relationships and to develop the Dominican Securities Market has been recognized by both clients and local brokerage colleagues. During 2009, JMMB BDI América was appointed and approved as a voting member of the Stock Exchange and Brokerage Association Boards.

We maintain a strong focus on developing our Team Members in all business units. Our proactive and nimble frontline team comprises three (3) authorized brokers approved by the Securities Commission – SIV (Superintendencia de Valores de la República Dominicana). With a team of experienced individuals, we continue developing the capacity of our Operations, Accounting and Technology units in a cost-effective and impactful way, providing integrated shared services to the sister operations. Our Risk functions have been jointly developed with JMMB Ltd. (Jamaica) and local Team Members have been properly trained in the critical area.

In FY 2009/10, we continually improved our Risk and Liquidity Management analytical capacity. The team also developed strong policies to assure sustainable growth of the business, across the Investment or FUM/Credit Line portfolios, including application of VaR – Stress Test – Duration – Liquidity/Risk and Fair Market Value methodologies, all ensuring healthy and balanced overall operations.

Financial Results

- FUM & Credit Lines growth to US$ 38.7 million (120%)
- Investment Portfolio (Face Value) growth to US$ 41.5 million (25%)
- Clients Base growth to 260 (391%)
- Net Earnings: US$ 361.5 thousand

JMMB Dominicana, S.A.

Prior to approval from the SIV (Superintendencia de Valores de la República Dominicana) in 2007 for JMMB to acquire the Puesto de Bolsa, which was re-branded to JMMB BDI América, JMMB Dominicana was the original operating entity in the Dominican Republic. With the investment portfolios transferred from JMMB Dominicana to JMMB BDI América, JMMB Dominicana is centered in developing the Investment Banking business.

During FY 2009/10, this new business unit focused on developing relationships with corporations offering advisory services for Merger & Acquisitions, Asset Sales, Leasing and Overseas Investment opportunities.

Since launching this business unit in April 2009, this compact team has worked closely with medium to large companies to assess investment opportunities. Our proactive, customized professional service and fair-price strategy has generated important deal mandates. Our local clients include corporations in different economic sectors, such as Communications, Tourism, Energy, Financial and Health Services.

Corporación de Crédito América, S.A.

The acquisition of Corporación de Crédito América, S.A. (CCA) is at the final approval stage, pending authorization from the Monetary Board. As JMMB BDI América primarily provides investment opportunities to clients, the acquisition of CCA (a local Savings & Loans institution) complements our regional and business diversification strategy as we seek to more effectively fulfill the financial needs of the local market in the Dominican Republic, particularly through the provision of savings accounts, certificates of deposit, loans and cambio services.

The Savings products in particular will enable JMMB's overall operations in the DR to grow in a more cost-effective manner with a wider retail base; Certificates of Deposits (CDs) allow us to achieve market penetration with segments that typically invest their savings in more traditional banking options.

Integrated Middle and Back Office Functions

The integration of CCA's back office with the local sister JMMB operations will allow the overall Group to take advantage of synergies in different functions, such as Operations, Technology, Financial Control, Accounting, Human Resources and Risk Management, contributing to our deliberate expense control culture, efficient execution in client service delivery and overall profitability.

STRATEGIC PLAN 2010 – 2013

The leadership teams of JMMB BDI América Puesto de Bolsa, S.A, JMMB Dominicana, S.A., and Corporación de Crédito América, S.A with support from JMMB Jamaica, developed its co-ordinated 3-year Strategic Plan 2010-13, with specific action plans to achieve a set of challenging business goals for the following years. These comprehensive action plans included all matters related to each business including: product offering & target market alignment, sales channels expansion, operational & technological assessments, capital injections, staff growth & development, and risk/liquidity management guidelines.

For the first year, FY 2010/11, the teams of JMMB BDI América Pues-to de Bolsa, S.A, JMMB Dominicana, S.A., and Corporación de Crédito América, S.A are:

- Pursuing a coordinated and cohesive targeted market penetration strategy offering a holistic suite of services to relevant client segments
- Focusing on growth strategies for the individual units
- Working with local financial authorities as effectively as possible on the continued development of the local financial markets.

REGIONAL DIVERSIFICATION: JMMB'S OPERATIONS IN TRINIDAD & TOBAGO

INTERCOMMERCIAL BANKING GROUP (IBL)

Duane Hinkson	ES Mohan	Hugh Duncan	Gary Awai	V. Ravishankar
Group Head Corporate & Investment Banking IBL & Managing Director ITMBL	Group Director Risk	Group CEO & Managing Director	Group Treasurer	General Manager, Retail & Commercial Banking

- Intercommercial Bank Limited
- Intercommercial Trust and Merchant Bank Limited (ITMBL)

The FY 2009/10 proved to be another year of steady growth and accomplishments for the Intercommercial Banking Group (IBL) despite the challenges in the domestic financial market that reverberated from the FY 2008/9 global market shocks. With the opening of a modern waterfront branch in Port of Spain, in keeping with JMMB's commitment to excellence in client care, IBL introduced personalised banking offering clients more individualised financial products and services in April 2009.

Following on the heels of the opening of the Port of Spain branch, IBL sought to enhance the look and feel of the Marabella location as well as re-vamped the Website towards becoming more interactive and informative. In keeping abreast with market developments and changes, IBL continued on its path of upgrading its Information Technology (IT) platform and architecture to achieve enhanced security features as well as more efficient risk management monitoring. Our previous years 'systems availability' factor continued as recorded averages were again higher than industry benchmarks.

Sustained Profitability and Growth

While employing prudent provisioning measures, in light of heightened credit delinquencies throughout the economy, IBL continued on its path of consecutive years of profitability by closing the year ended March 31, 2010 with a profit before tax (PBT) of TT$5.2 million (US$806 thousand). Total comprehensive income for the year attributable to equity holders closed at TT$6.4 million (US$993 thousand) an improved performance over prior year by 308%. While excessive liquidity and a decline in credit demand negatively impacted profit before tax (PBT), Net Interest Income (NII) represented 54% of operating income and closed marginally higher than the prior comparative period by 2%. Operating expenses continued to be effectively managed within a 17% increase, arising out of increased expenditure related to our newest location in the capital city of Port of Spain, whilst provisions on loan losses increased by 265% over prior year.

Although a decline in credit demand persisted throughout the year, the Group's Asset Base closed at TT$1.24 billion (US$192.3 million) an increase of 28% over prior year's TT$968 million (US$150.1 million) with gross loans and advances portfolio remaining relatively flat at TT$424 million (US$65.7 million); of significance however, was the increase in the short term investment portfolio by 190% which closed at TT$323 million (US$50.1 million) given the highly liquid financial market.

The IBL Group, through share of associated profits given JMMB's 50% shareholdings, contributed J$26 million to the JMMB Group's overall profit.

Risk Management

IBL continues to review and enhance its Compliance and Enterprise Risk Management framework and architecture with the upgrade of several guiding policies and procedures, in an effort to proactively mitigate against adverse economic challenges. During FY 2009/10, we also commenced the evaluation of compliance software to assist in monitoring of activities as to ensure the sustainability of the business in the long run.

Fulfilling More of Our Clients' Needs: Expanded Product Offerings

During the FY 2009/10, the IBL Group entered into an agreement with its fourth co-branded partner Community Care Credit Union for the issue of VISA debit cards to members – this product is geared towards encouraging consistent savings via salary deduction. The IBL Group commenced re-packaging of its existing mature products to better serve the needs of customers and have relaunched the Banker's Acceptance and Short-term operating products offering more competitive short-term facilities to the business market segment.

Consistent with IBL's objective to strengthen relationships with our clients, we engaged select groups of individuals and business clients in forums at our Port of Spain location. This has resulted in the bank procuring new business as well as longer term deposit funding in excess of TT$166 million (US$25.7 million) and approximately 1,700 new deposit accounts. We have also extended our customer service through one-on-one meetings with corporate clients, supported by our in-house departmental team meetings, coaching and knowledge sharing.

IBL GROWTH OPPORTUNITIES FOR FY 2010/11

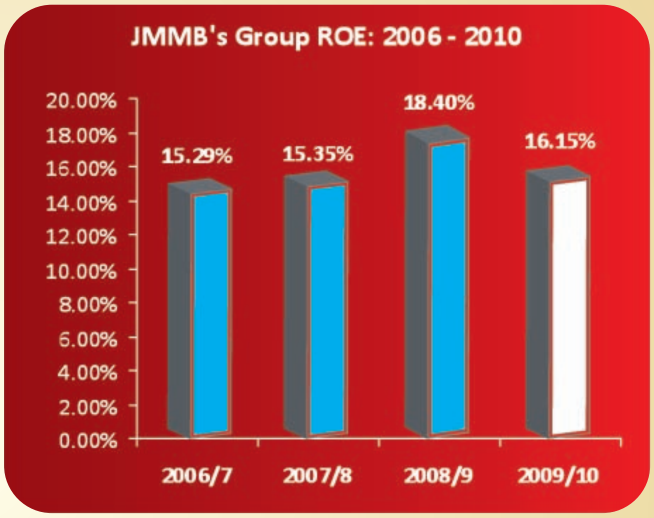
In fulfilling the organization's strategic vision, plans for the 12th year in operation will be focused on:

- The identification of suitable locations across the East/West corridor and South Trinidad for build-out of the branch network.
- Further enhancing delivery channels through the extension of the Electronic Banking Services to the Acquirer business for VISA products and LINX network membership.
- Continuing the work on the provision of Internet Banking Services to our client base, thereby improving access to our various products and services.

THE COMMITMENT OF THE JMMB GROUP

Having established a successful business model in Jamaica 17 years ago by effectively meeting the investing needs of our range of clients, we replicated this regionally, starting in Trinidad & Tobago 12 years ago and most recently in the Dominican Republic 2 years ago. Regional diversification has served our shareholders well as national economies go through different cycles, thus providing JMMB with opportunities for sustained growth from different revenue sources in different geographical jurisdictions. Geographical diversification coupled with business line diversification represents the opportunity for sustained profitable growth over the medium-to-long term.

The economic indicators suggest that we have a challenging year ahead, as the economies of Jamaica and Trinidad & Tobago seek to rebound from the negative financial and social impact of the global economic recession. Our achievements in the past year attest to the fact that we have a strong and competent team that can effectively provide innovative solutions to protect and enhance the wealth of our clients and shareholders despite the odds. With solid footing for the JMMB Group in FY 2009/10 and a strong baseline for future growth, we will see JMMB's profitability and return on equity (ROE) continue to increase at sustainable rates, which we trust will satisfy JMMB's thousands of shareholders and more than 155,000 clients who have placed great faith in the Board and Management of the JMMB Group.



The JMMB Group therefore reaffirms its pledge to deliver on strategic initiatives which remain grounded in our commitment to:-

- Enhance and deepen our client relationships, thereby
- Anticipating and responding to the financial needs of our loyal client base, while
- Prudently managing our risks and operational expenses to increase the return on equity for our shareholders
- Remain true to our culture and Vision of Love
- Create an organizational environment where the ideas of team members are valued and shared openly and team members are given the opportunity to achieve theifull potential.

Love & Genuine Partnership:
Standing for Our Communities

LET'S BE POSSIBILITY THINKERS NOW

Corporate Social Responsibility

A Way of Life at JMMB

I slept and dreamt that life was joy. I awoke and saw that life was service. I acted and behold, service was joy.
Rabindranath Tagore, the Indian poet and Nobel Peace Prize Winner for Literature, 1913

For JMMB, corporate social responsibility is not just a politically correct catch phrase or the latest fad in management circles; it has been in our DNA since inception. The same motivation that inspired Joan Duncan to co-found JMMB with Dr. Noel Lyons to revolutionize the financial landscape is the same force that drives us in consistently giving back to the geographies within which we operate.

What was the revolution? In establishing JMMB, Joan Duncan opened the doors of the money market to Jamaicans from all walks of life and businesses of all sizes – democratizing instruments of wealth-building that had before then been the domain of large institutions. EQUITY was one of Joan Duncan's strong driving forces and infuses the company culture.

JMMB's Corporate Social Responsibility efforts are delivered primarily through:

- The Joan Duncan (JD) Foundation
- Localized Community Initiatives

For FY 2009/10, our main areas of focus were:

1. Committee for the Upliftment of the Mentally Ill (CUMI) Children's Program
2. JMMB/JFF/UTECH Coaching School

3. Many localized efforts concentrating on:
    I. Education
    II. Health
    III. Sports
    IV. Social Intervention – development of discipline, values, conflict resolution and relief efforts

JMMB/CUMI CHILDREN'S PROGRAMME

The Chinese have a proverb which says, "If you want happiness for a lifetime, help the next generation".

The brainchild of Joan Duncan and Elizabeth Hall, the CUMI Children's Program is targeted at the children of the mentally ill, who represent a highly vulnerable group with untapped potential for possibilities. In our 12th year of operation, with thirteen (13) children in this program, four (4) of them, now teenagers, continued in full foster care following intervention since infancy. They have also all benefited from continuous psychological support.

- One of the boys had suffered severe neglect and had no language ability at 6 years old. Through holistic intervention his life has changed dramatically and he has already passed two CSEC subjects while in Grade 9 and is sitting subjects this year in Grade 10. He continues with counselling sessions to address any issues which may arise.

- Another boy was diagnosed with autism and at the time of intervention was unable to function and had to remain at home. He is now able to attend the School of Hope and his mother has learned how to communicate with him to the point that many of his social behaviours and functions have slowly improved.

- Two boys were identified as having Attention Deficit Hyperactivity Disorder (ADHD). They were referred to a psychiatrist and there are already signs that they are responding positively to the medication given. One is taking a CSEC subject in Grade 9 this year. Ongoing counseling is given to manage possible behavioural problems in the five high school boys in the programme.

- Two girls are now at the Tertiary level. One, through intervention by the psychologist, has made fine progress despite relapses. She is benefitting from the services offered by the Guidance Department of the educational institution, and is also under the care of the psychiatrist. The other is now applying herself at the CAPE level and is extremely grateful for all the assistance she has received through CUMI and JMMB since she was 3 years old. Other girls who suffered various kinds of abuse have ongoing support through sessions with the psychologist.

- Two students who sat the Grade Six Achievement Test (GSAT) got places at high schools in St. James and Westmoreland.

CUMI COME RUN 10K

As we believe in financial independence for individuals and organizations, we have been working with CUMI to establish a sufficient endowment fund to enable more effective planning and less time fundraising.

- In an effort to raise significant funds to invest in the endowment, CUMI designed and executed a successful endeavour, the inaugural 'CUMI Come Run.'

- The 10K CUMI Come Run, now an annual effort designed to support the operations of the organization, was held in September 2009 on the grounds of the Tryall Golf Club, Hanover.

- JD Foundation provided additional support as the main sponsors of the event, along with over 20 team members from across the island donning their sneakers in a bid to improve the quality of life, including physical and mental health, of beneficiaries of the CUMI programme.

- We are very proud to have participated in the run, which was a success, netting $2-million.

As possibility thinkers, we know that in history, yesterday's impossibility can become today's reality. We see in the lives of the mentally challenged and their children possibilities where others often resign themselves to despair. By investing in them, we will be rewarded by the results in their lives.

Group CEO Keith Duncan and Personal Portfolio Manager, Karlene Jarrett after participating in the CUMI Come Run fundraising event at the Tryall Club in Hanover.

JMMB team members begin the CUMI Come Run fundraising event, which raised $2 million dollars for the organization.

JMMB/JFFF/UTECH COACHING SCHOOL

Sports has been the great unifier in Jamaica. In a context where it is immensely difficult to build consensus and a common cause, sports has provided that rare opportunity and therefore naturally recommends itself as an area of focus.

- Knowing the significance of sports in Jamaica and aligning that with the JMMB vision of nation-building, the JMMB/JFF/UTECH Coaching School was established in January 2009. The overarching mission of the school is to equip local coaches with the necessary skills and knowledge to lead themselves and those under their charge toward success, on and off the field of play. The school offers holistic training, enabling coaches to produce players at preparatory, primary and high school levels who are technically sound and emotionally mature, and hence fully prepared to contribute to the success of the national programme.

- This year, we afforded coaches the opportunity to further enhance their skills and knowledge with the introduction of the Level 2 Advanced course, which was presented by FIFA instructor, Rodrigo Kenton. The group of 15 past national players as well as 7 coaches who have association with the Digicel Premier League were guided in subject areas such as Player Management, Match Analysis, Talent Identification and Football Fitness. Coaches from Western Jamaica were also able to participate, with courses being hosted in Montego Bay. Many of the coaches who have participated and who have been certified at Level One of the course have gone on to reach the finals of one of the premier high school football competitions, the Manning Cup. Among the participants were two female coaches.

- This year the coaches were given an additional incentive with the JMMB Possibility Partnership Programme. Each coach has been assigned a Financial Advisor, who has taken them through budgeting, saving and financial planning, with milestones to be achieved over a 9-month period, from June 2010 to February 2011. The winner in what is a competition will be awarded a scholarship for the Advance Level 3 course, to be launched next year.

JMMB/JFF/UTECH Coaching School pic: Coach Wendell Downswell (white shirt) does a demonstration at a training session, while the participants look on attentively.

Graduates of the JMMB/JFF/UTECH Coaching School pose proudly with their certificates upon completing Advanced Level II of the course. Seated (from left)

Dr. Heather Little-White, Horace Reid, General Secretary, JFF, Prof. Errol Morrison, President UTech, Capt. Horace Burrell, President JFF, Patricia Sutherland JMMB Executive Director and Dr. Colin Gyles, Acting Dean, Faculty of Science and Sport, UTech.

LOCALISED COMMUNITY INITIATIVES

Throughout the years, our branches have extended our Vision of Love to communities across Jamaica and in particular the branch communities, through their support of various initiatives in the areas of sports, health, education and general outreach. These initiatives continued in 2009, reflecting the love and genuine care upon which the company was founded.
'Excellence,' as the philosopher Aristotle says is 'a habit'—it is what we do repeatedly. The JMMB spirit and essence is love.

EDUCATION

To ensure upcoming generations are equipped to fully contribute to a prosperous society, we extend support towards the education of students at all levels, from primary to university. Our educational support is integrated, with efforts extending across a variety of initiatives.

- The Montego Bay branch sponsored a group of primary schools at the Fairfield Theatre School Production 'White Witch' to foster the development of their creative skills.
- The Ocho Rios branch supported participation by the Chalky Hill All Age and Junior High School in the Annual Festival Competition. Jamaica Cultural Development Comission (JCDC).
- JMMB Head Office: The Franklin Town (Church of God) Basic School achieved a milestone with the opening of their computer lab. We were delighted to be associated with this project through the donation of computers to enable the students to begin their journey towards becoming technologically savvy.

Sheldon Powe, Group Chief Information Officer, is delighted to cut the ribbon to signal the official opening of the new computer lab at the Franklyn Town Basic School. To his left is Lloyd Duncan, Director of the Pearly Agatha Duncan nee Hall Memorial Fund.

Read Across Jamaica Day 2009

- We were also pleased to have participated in National Read Across Jamaica Day, in association with the Private Sector Organization of Jamaica. Team members from Kingston, Portmore, Mandeville and Montego Bay read to students at various schools in these locations, demonstrating to the young minds the importance of reading and literacy to overall development.

It's 'all ears' for Roxanne Wright as she reads to Grade 1 students at Allman Town Primary School May 5, 2009 to commemorate the launch of Reading Week.

Read Across Jamaica Day also supports the Ministry of Education's vision to have at least 85% literacy by 2015. This is another example of our investment in the young and in preparing the next generation.

JMMB Executive Director and Chair of the PSOJ Education Committee Patricia Sutherland has the full attention of students at the Allman Town Primary School, during Read Across Jamaica Day, which saw participation from team members in several parishes.

The Rotary Club of Montego Bay East Bikeathon

Our support of the Annual Bikeathon included not just financial contributions, but team member participation. For its 14th installment, the Bikeathon focused on granting several scholarships, rather than one to a single student. Twenty-six students from across various high schools, community colleges and vocational institutions were chosen as the recipients, based on their level of need, community involvement and outstanding academic results.

Rotary Club of Jamaica Race to Literacy Book Drive

In further support of developing our nation's youth and fostering educational opportunities, JMMB branches islandwide acted as drop-off points for donations of books towards the Rotary Club's 'Race to Literacy Book Drive' 2010.

Our pack of riders gets ready for the start of the annual MoBay Bikeathon

JMMB's Operations in the Dominican Republic

Our Corporate Social Responsibility efforts extended beyond the shores of Jamaica, to our Dominican Republic main subsidiary, JMMB BDI America. For the second year in a row, in partnership with Junior Achievement Dominicana, we sponsored the Stock Market Challenge. The competition included participation by over 200 eligible high school students.

Intercommercial Bank Group (IBL)

The IBL team in Trinidad & Tobago shares JMMB Jamaica's commitment to building lives in the communities that we serve. A key area of our outreach initiatives is education, which included continued support of educational programmes to the less fortunate through Sri Dattatreya Yoga Center, while fostering the development of critical thinking through our support of the Annual National Primary School Mental Math Marathon.

In addition, we extended our programme, recognizing the achievement of twenty-one (21) top performers in the Secondary Entrance Assessment (SEA) Exam who originated from the community of Chaguanas.

Tricia Stephens-Joseph, Senior Marketing Officer, Intercommercial Bank Limited, (right) poses with Mental Math Administrators and 1st-3rd place winners as well as their representing school principals and teachers.

HEALTH

As communities face health challenges, JMMB has assisted with the medical costs which accompany these challenges, recognising that physical wellness is a most critical component in achieving full potential.

Mandeville

- We provided aid to the Mandeville Regional Hospital with the purchase of vital equipment for its Maternity Unit. This included three Baumanometer Standby Model Blood Pressure measuring units and two EDAN F6 Cardiotocograph (Fetal Monitoring) Machines.

Santa Cruz

- Our Santa Cruz branch makes ongoing contributions to the St Elizabeth Care Foundation, an organization that cares for the indigent in the parish.

Sigma Corporate Run

- JMMB Team Members and their families participated in the 12th annual Pan Caribbean Sigma Corporate Run in New Kingston. Approximately 100 staff members and their families supported the charity event, designed to raise funds for the Sir John Golding Rehabilitation Centre, which offers care to children who have special needs.

Tired but happy, the team is jubilant after their involvement in the annual Sigma Corporate Run.

SOCIAL INTERVENTION

Montego Bay

- Our Montego Bay branch is an active contributor to the local inner city basketball team, the Railway Tigers, with JMMB team member Floyd Lewis frequently training with the Tigers.
- The team planted flowers at the Mustard Seed Home in St. James, as a part of their Labour Day initiative.
- Team MoBay was the recipient of the Community Outreach Award of Excellence from the Montego Bay Chamber of Commerce, in recognition of their outstanding service to the Montego Bay community.

President of the Mandeville Rotary Club, Dr. Olajive Adekeye (right) and JMMB Group CEO, Keith Duncan examine the equipment which was donated to the maternity ward of the Mandeville Regional Hospital. Looking on (from left) are Alwayn Miller CEO Mandeville Regional Hospital, Michael Walker Past Presedent Mandeville Rotary Club, JMMB's Jennifer Howell and Mnadeville Branch Manager, Dr. Marcia Whittaker.

MoBay Branch Manager, Lorna Hall (2nd right) and Team MoBay accept the Montego Bay Chamber of Commerce Community Outreach Award of Excellence for outstanding contribution to the Montego Bay Community.

Jacqueline Mullings, May Pen Branch Manager makes a donation to the Claredon Association for Street People Benevolent Society.

May Pen

- Each month, the May Pen branch donates to various community projects. Some of these include:
  - Clarendon Association for Street People Benevolent Society
  - Clarendon 4-H Club
  - Optimist Club of South Central Clarendon

- We also supported the Clarendon Crime Prevention Committee's 10K Road Race and were one of the sponsors of their Children's Treat at all Police Stations across the parish.

Mandeville

- The Mandeville team supported the Community Counseling and Restorative Justice Centre in alliance with Northern Caribbean University, empowering members of the community in Barnestable and its environs to be more open to constructive resolution of conflicts and to improve overall parenting skills and interpersonal interactions. A forum was created to facilitate the community's discussion of any issues, for amicable resolution, creating "win-win" solutions to foster better relationships.

Financial Advisor Roy Reid presents a cheque to Mrs. Merylyn Campbell-Flinch, Director of the Community Counselling and Restorative Justice Centre (CCRJC) of Northern Caribbean University (NCU) for its May Day/Barnstable training programme which focused on conflict resolution and other significant life skills.

SPORTS

Douglas Forrest Invitational Meet

For the past 6 years, we have given support to the Douglas Forrest Invitational Meet, which we consider another wonderful opportunity to contribute to the development of our young athletes in the area of track and field, as they strive for excellence. Douglas Forrest, who served as headmaster at Kingston College for 39 years, truly embodied the Jamaican spirit and epitomized Possibility Thinking, with KC having many successes in sports and academics during his tenure. The meet consistently maintains high standards, and has included participation from internationally renowned athletes such as Ato Boldon, Shawn Crawford and Me'Lisa Barber.

Team members Michelle Sinclair (2nd left) and Rosalyn Campbell smile for their close-up with Olympic champions Maurice Greene and Tonique Williams-Darling.

Former World and Olympic Champion Maurice Greene greets clients inside the Haughton Terrace branch, during his visit to the company's head office prior to the Douglas Forrest Invitational Meet.

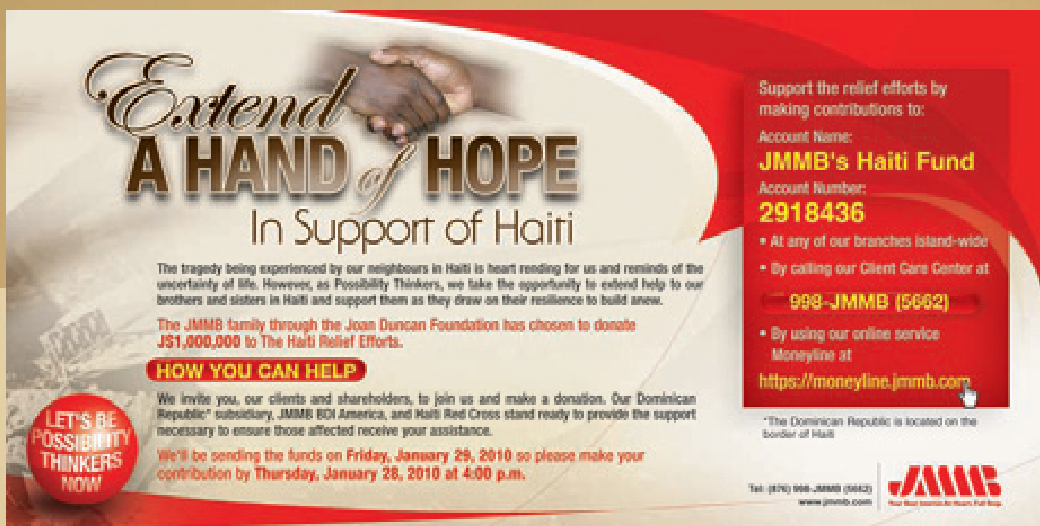
The event, which took place at Stadium East, was the first development meet for the local 2010 track season, and was aimed at preparing young athletes for the Boys and Girls Championships later in the year. We took international meet ambassadors Maurice Greene and Tonique Williams-Darling on a tour of our head office on Friday, January 13, the eve of the meet. American 100m and 200m Track and Field World Champion Greene and 400m Olympic Gold Medalist, Williams-Darling, Bahamas' first individual gold medal winner, had a meet and greet session with staff members and clients. As meet ambassadors, they motivated, inspired and encouraged the young athletes who competed on one of the first major stages in their track and field careers.

THE ARTS

- Intercommercial Bank Group (IBL)
  We also extended our involvement in civic activities to the arts, sponsoring the Best Feature Film Award at the Trinidad and Tobago Film Festival for the first time.

HAITI RELIEF EFFORTS

Following the devastating earthquake in Haiti, we joined the efforts to reach out to our regional neighbours, in order to show solidarity and to assist them with getting on the path to recovery. Through The Joan Duncan (JD) Foundation we established JMMB's Haiti Fund, with clients and team members contributing J$2.95M in donations towards the Haiti Relief Efforts. We partnered with our Dominican Republic Subsidiary, JMMB BDI America, to ensure effective and timely allocation of the supplies. The funds collected were wired to JMMB BDI America, and then turned over to Red Cross Dominican Republic, for the purchase of supplies. These were then turned over to Red Cross Haiti for distribution to the victims.



CONCLUSION

Corporate social responsibility is a way of life at JMMB. It is not merely one of the multiplicity of things we do. It is who we are. We are possibility thinkers, always pushing the envelope, always scaling the boundaries and challenging the impossible.

The Buddha was correct: "Teach this triple truth to all: A generous heart, kind speech and a life of service and compassion are the things which renew humanity." It is that renewal which underlines JMMB's corporate social responsibility.

JMMB Team

Love • Integrity • Fun • Togetherness

Joan Edwards (3rd right) discusses the game strategy with her team on Possibility Day.

The 'Vision of (six) Love' is on the minds of the men, who indulge in a game of dominoes at Fun Day 2009.

Members of the JMMB family are reverent in prayer at the Annual Thanksgiving Service.

The FEVA ladies are blistering in the opening number at the Valentine's Day concert.

Dale James and Dawnette Johnson pump the air in triumph to celebrate victory in their team activity on Possibility Day.

Praises go up from team members and even the mouths of babes at the annual Thanksgiving Service.

It's a dance on Cannon beach for the team at Fun Day 2009.

The JMMB Wolves retreat into their 'crypts' after spooking all the FEVA attendees.

Althea Henry builds castles of love on Cannon Beach with the youngest members of the JMMB family.

Personal Portfolio Manager, Vynette Peart, morphs into pop icon Michael Jackson as a part of the Wolves' dance presentation of 'Thriller' at the FEVA event.

LET'S BE POSSIBILITY THINKERS NOW

Stockholdings

LET'S BE POSSIBILITY THINKERS NOW

STOCKHOLDINGS

AS AT MARCH 31, 2010

10 LARGEST STOCKHOLDERS

CLICO INVESTMENT BANK LTD	450,629,764
TRUSTEES JMMB ESOP	178,239,184
COLONIAL LIFE INSURANCE CO LTD	103,453,776
CONCISE A.V. LTD	62,469,342
CONCISE O.N. LTD	61,892,839
CONCISE E.I. LTD	59,965,366
CONCISE R.I. LTD	58,512,640
JVF O.N. LTD	50,245,884
JVF E.I. LTD	48,681,216
JVF R.I. LTD.	48,681,216

LET'S BE POSSIBILITY THINKERS NOW

STOCKHOLDINGS
OF DIRECTORS AND CONNECTED PARTIES
AS AT MARCH 31, 2010

Directors	Shareholding-Ordinary	Connected Parties
Dr. Noel A. Lyon	NIL	
	45,525,196	GRACELYN O.E. LTD
	46,761,146	JVF O.E. LTD
	10,000	NICOLE LYON
Donna Duncan-Scott	ESOP	
	28,548	ALWYN SCOTT
	50,245,884	JVF O.N. LTD
	61,892,839	CONCISE O.N. LTD
Archibald Campbell	18,400	
	344,827	ODETTE CAMPBELL
Keith P. Duncan	ESOP	
	59,965,366	CONCISE E.I. LTD
	48,681,216	JVF E.I. LTD
	19,454	
V. Andrew Whyte	NIL	
Wayne Sutherland	NIL	
	58,512,640	CONCISE R.I. LTD
	48,681,216	JVF R.I. LTD
Dennis Harris	NIL	
Dr. Anne Crick	5,000	
Hugh Duncan	4,828	
Rodger Braham	NIL	
	438,172,117	

STOCKHOLDINGS
OF SENIOR MANAGERS

SENIOR MANAGER	PERSONAL STOCKHOLDINGS	CONNECTED PARTY
Donna Duncan-Scott	7,678,110 ESOP	Alwyn Scott, JVF ON Limited and Concise ON Limited
Keith Duncan	2,246,745 ESOP	JVF E.I. Limited and Concise E.I Limited
Sheldon Powe	2,694,831 ESOP	
Carolyn DaCosta	1,025,076	
Kisha Anderson	900,000	
Paul Gray	641,122 ESOP	
	658,507	
Julian Mair	212,500	
Patrick Ellis	NIL	
Patricia Sutherland	NIL	JVR R.I. LTD, Concise R.I. Limited
Imani Duncan	NIL	
Janet Patrick	752,969 ESOP	

LET'S BE POSSIBILITY THINKERS NOW

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LET'S BE POSSIBILITY THINKERS NOW

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Year ended 31 March 2010

KPMG
Chartered Accountants
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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 85 to 163, which comprise the consolidated and company statement of financial position as at 31 March 2010 and the consolidated and company profit and loss accounts, statements of comprehensive income, changes in stockholders' equity and cash flows 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' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the 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

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 2010, and of the financial performance, changes in shareholders equity and cash flows of the group and the company for the year then 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.

KPMG

28 May 2010
Kingston, Jamaica

Consolidated Profit and Loss Account

Year ended 31 March 2010

(Expressed in Jamaican dollars unless otherwise indicated)

	Note	2010 $'000	2009 $'000
Net Interest Income and Other Revenue			
Interest income	5	13,502,680	12,473,788
Interest expense	5	(11,600,165)	(11,120,410)
Net interest income		1,902,515	1,353,378
Fees and commission income		73,798	130,590
Gains on securities trading, net		961,532	3,134,736
Fees earned on managing funds on behalf of clients		50,851	58,905
Foreign exchange margins from cambio trading		106,982	171,604
Operating revenue net of interest expense		3,095,678	4,849,213
Other income			
Dividends		15,315	91,620
Gains on disposal of property, plant and equipment		327	143
		3,111,320	4,940,976
Operating Expenses			
Staff costs	6	(1,009,616)	(1,260,665)
Other expenses		(1,099,512)	(1,194,902)
		(2,109,128)	(2,455,567)
Operating Profit		1,002,192	2,485,409
Impairment loss on financial assets	7	-	(3,624,437)
Gain on sale of associated companies	8	-	2,329,460
Share of profits of associated companies (net of tax)		26,120	354,096
Profit before Taxation	9	1,028,312	1,544,528
Taxation	10	(41,934)	(441,906)
Profit for the Year		986,378	1,102,622
Attributable to:			
Equity holders of the parent		983,157	1,097,082
Non-controlling interest		3,221	5,540
		986,378	1,102,622
Earning per stock unit	11	0.67	0.75

The notes on pages 98 to 163 are an integral part of these financial statements

Consolidated Statement of Comprehensive Income

Year ended 31 March 2010

(Expressed in Jamaican dollars unless otherwise indicated)

	2010 $'000	2009 $'000
Profit for the Year	986,378	1,102,622
Other comprehensive income		
Unrealised gains/(losses) on available-for-sale investments	727,580	(1,770,929)
Foreign exchange translation differences	25,570	(328,085)
	753,150	(2,099,014)
Total comprehensive income/(loss) for year, net of tax	1,739,528	(996,392)
Total comprehensive income/(loss) attributable to:		
Equity holders of the parent	1,729,933	(1,001,932)
Non-controlling interest	9,595	5,540
	1,739,528	(996,392)

The notes on pages 98 to 163 are an integral part of these financial statements

Consolidated Statement of Financial Position

31 March 2010

(Expressed in Jamaican dollars unless otherwise indicated)

	Note	2010 $'000	2009 $'000
ASSETS			
Cash and cash equivalents	13	3,643,532	2,430,257
Interest receivable		2,656,184	2,863,851
Income tax recoverable		1,277,889	885,294
Loans and notes receivable	14	3,639,894	3,449,130
Other receivables	15	2,627,877	2,131,406
Securities purchased under agreements to resell	16	2,473,540	1,455,155
Investments	17	104,887,535	96,260,862
Membership share	18	19,520	19,520
Interest in associated companies	20	631,932	584,718
Intangible assets	21	83,512	96,405
Property, plant and equipment	22	1,007,805	996,080
Deferred income tax assets	23	26,150	20,787
		122,975,370	111,193,465

The notes on pages 98 to 163 are an integral part of these financial statements

Consolidated Statement of Financial Position (Continued)

31 March 2010

(Expressed in Jamaican dollars unless otherwise indicated)

	Note	2010 $'000	2009 $'000
STOCKHOLDERS' EQUITY			
Share capital	24	365,847	365,847
Share premium		13,775	13,775
Investment revaluation reserve		(825,220)	(1,552,800)
Cumulative translation reserve		(8,702)	(27,898)
Other reserve	25	13,672	-
Retained earnings		7,300,857	6,506,978
		6,860,229	5,305,902
Non-controlling interest		30,507	20,912
		6,890,736	5,326,814
LIABILITIES			
Securities sold under agreements to repurchase	26	102,844,985	90,110,998
Notes payable	27	648,650	1,081,404
Loans payable	28	7,043,932	9,249,311
Redeemable preference shares	24	2,690,085	2,690,085
Deferred income tax liabilities	23	278,902	120,706
Interest payable		1,473,460	1,502,523
Income tax payable		593,576	595,823
Payables		511,044	515,801
		116,084,634	105,866,651
		122,975,370	111,193,465

Approved for issue by the Board of Directors on 28 May 2010 and signed on its behalf by:

Noel A. Lyon — Chairman

Keith P. Duncan — Group Chief Executive Officer

The notes on pages 98 to 163 are an integral part of these financial statements

Consolidated Statement of Changes in Stockholders' Equity

Year ended 31 March 2010

(Expressed in Jamaican dollars unless otherwise indicated)

	Note	Share Capital $'000	Share Premium $'000	Investment Revaluation Reserve $'000	Cumulative Translation Reserve $'000	Other Reserves $'000	Retained Earnings $'000	Total Attributable to Equity holders of the Parent $'000	Non-Controlling Interest $'000	Total $'000
Balances at 31 March 2008		**365,847**	**13,775**	**(1,134,914)**	**300,187**	**-**	**7,099,518**	**6,644,413**	**16,091**	**6,660,504**
Total comprehensive income/(loss) for 2009		-	-	(1,770,929)	(328,085)	-	1,097,082	(1,001,932)	5,540	(996,392)
Transfer to retained earnings		-	-	1,353,043	-	-	(1,353,043)	-	-	-
Non-controlling interest in acquired subsidiary		-	-	-	-	-	-	-	(719)	(719)
Dividends	12	-	-	-	-	-	(336,579)	(336,579)	-	(336,579)
Balances at 31 March 2009		**365,847**	**13,775**	**(1,552,800)**	**(27,898)**	**-**	**6,506,978**	**5,305,902**	**20,912**	**5,326,814**
Total comprehensive income for 2010		-	-	727,580	19,196	-	983,157	1,729,933	9,595	1,739,528
Transfer from retained earnings		-	-	-	-	13,672	(13,672)	-	-	-
Dividends	12	-	-	-	-	-	(175,606)	(175,606)	-	(175,606)
Balances at 31 March 2010		**365,847**	**13,775**	**(825,220)**	**(8,702)**	**13,672**	**7,300,857**	**6,860,229**	**30,507**	**6,890,736**

The notes on pages 98 to 163 are an integral part of these financial statements

Consolidated Statement of Cash Flows

Year ended 31 March 2010

(Expressed in Jamaican dollars unless otherwise indicated)

	Note	2010 $'000	2009 $'000
Cash Flows from Operating Activities			
Profit for the year		986,378	1,102,622
Adjustments for:			
Interest income	5	(13,502,680)	(12,473,788)
Interest expense	5	11,600,165	11,120,410
Income tax charge	10	41,934	441,906
Share of profits of associated companies		(26,120)	(354,096)
Provision for credit losses		23,441	4,892
Provision for bad debts		-	-
Impairment of financial assets		-	3,624,437
Amortisation of intangible assets	21	28,348	39,243
Depreciation of property, plant and equipment	22	83,249	92,186
Gains on disposal of property, plant and equipment		(330)	(143)
Gain on sale of associated companies		-	(2,329,460)
Foreign currency translation gains		(916,926)	(2,608,518)
Unrealised loss on trading securities		-	93,571
		(1,682,541)	(1,246,738)
Changes in operating assets and liabilities -			
Income tax recoverable, net		(394,842)	154,948
Notes receivable		(214,205)	(546,794)
Other receivables		(496,471)	(4,346,318)
Payables		(4,757)	130,777
Securities purchased under agreements to resell		(1,018,385)	4,032,720
Securities sold under agreements to repurchase		12,733,987	11,050,310
		8,922,786	9,228,905
Interest received		13,710,347	11,297,443
Interest paid		(11,629,228)	(10,724,817)
Net cash provided by operating activities (Page 91)		11,003,905	9,801,531

The notes on pages 98 to 163 are an integral part of these financial statements

Consolidated Statement of Cash Flows (Continued)

Year ended 31 March 2010

(Expressed in Jamaican dollars unless otherwise indicated)

	Note	2010 $'000	2009 $'000
Cash Flows from Operating Activities (Page 90)		11,003,905	9,801,531
Cash Flows from Investing Activities			
Net proceeds/purchase of investment securities		(6,950,165)	(10,048,348)
Purchase of computer software	21	(15,455)	(36,481)
Purchase of property, plant and equipment	22	(104,323)	(199,738)
Proceeds from disposal of property, plant and equipment		9,679	3,330
Proceeds from disposal of associated company		-	2,991,878
Net cash outflow from purchase of non-controlling interest		-	(15,090)
Net cash used in investing activities		(7,060,264)	(7,304,449)
Cash Flows from Financing Activities			
Preference shares		-	117,523
Notes payable		(432,754)	(1,579,519)
Loans payable		(2,205,379)	(140,195)
Dividends paid	12	(175,606)	(336,579)
Net cash used in financing activities		(2,813,739)	(1,938,770)
Effect of exchange rate changes on cash and cash equivalents		83,373	205,363
Net increase in cash and cash equivalents		1,213,275	763,675
Cash and cash equivalents at beginning of year		2,430,257	1,666,582
CASH AND CASH EQUIVALENTS AT END OF YEAR	13	3,643,532	2,430,257

The notes on pages 98 to 163 are an integral part of these financial statements

Profit and Loss Account

Year ended 31 March 2010

(Expressed in Jamaican dollars unless otherwise indicated)

	Note	2010 $'000	2009 $'000
Net Interest Income and Other Revenue			
Interest income from securities	5	12,740,651	11,393,867
Interest expense	5	(10,613,421)	(10,380,188)
Net interest income		2,127,230	1,013,679
Fees and commission income		44,843	77,362
Gains on securities trading, net		881,127	3,181,646
Fees earned on managing funds on behalf of clients		42,733	53,978
Foreign exchange margins from cambio trading		106,982	171,604
Operating revenue net of interest expense		3,202,915	4,498,269
Other income			
Dividends		14,705	70,770
		3,217,620	4,569,039
Operating Expenses			
Staff costs	6	(894,302)	(1,144,239)
Other expenses		(1,006,660)	(1,104,322)
		(1,900,962)	(2,248,561)
Operating Profit		1,316,658	2,320,478
Impairment loss on financial assets	7	-	(1,241,046)
Gain on sale of associated companies	8	-	2,329,460
Share of profits in associated companies		-	314,995
Profit before Taxation	9	1,316,658	3,723,887
Taxation	10	(49,746)	(429,534)
Profit for the Year		1,266,912	3,294,353

The notes on pages 98 to 163 are an integral part of these financial statements

Statement of Comprehensive Income

Year ended 31 March 2010

(Expressed in Jamaican dollars unless otherwise indicated)

	2010	2009
	$'000	$'000
Profit for the Year	1,266,912	3,294,353
Other comprehensive income		
Unrealised gains/(losses) on available-for-sale investments	335,419	(1,164,831)
Foreign exchange translation differences	-	(266,894)
	335,419	(1,431,725)
Total comprehensive income for year, net of tax	1,602,331	1,862,628

The notes on pages 98 to 163 are an integral part of these financial statements

Statement of Financial Position

31 March 2010

(Expressed in Jamaican dollars unless otherwise indicated)

	Note	2010 $'000	2009 $'000
ASSETS			
Cash and cash equivalents	13	2,497,273	1,553,488
Interest receivable		2,241,759	2,395,191
Income tax recoverable		1,264,782	875,838
Loans and notes receivable	14	3,072,692	2,931,099
Other receivables	15	1,539,468	1,092,054
Securities purchased under agreements to resell	16	18,258,899	19,550,100
Investments	17	83,241,305	75,617,971
Interest in subsidiaries	19	1,153,490	1,044,816
Intangible assets	21	64,989	75,879
Property, plant and equipment	22	888,446	906,676
		114,223,103	106,043,112
STOCKHOLDERS' EQUITY			
Share capital	24	365,847	365,847
Share premium		13,775	13,775
Investment revaluation reserve		(407,648)	(743,067)
Retained earnings		9,664,858	8,573,552
		9,636,832	8,210,107
LIABILITIES			
Securities sold under agreements to repurchase	26	91,763,695	82,588,265
Notes payable	27	561,110	883,500
Loans payable	28	7,043,932	9,249,311
Redeemable preference shares	24	2,690,085	2,690,085
Deferred income tax liabilities	23	278,902	119,045
Interest payable		1,409,090	1,431,556
Income tax payable		593,576	593,576
Payables		245,881	277,667
		104,586,271	97,833,005
		114,223,103	106,043,112

Approved for issue by the Board of Directors on 28 May 2010 and signed on its behalf by:

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

The notes on pages 98 to 163 are an integral part of these financial statements

Statement of Changes in Stockholders' Equity

Year ended 31 March 2010

(Expressed in Jamaican dollars unless otherwise indicated)

	Note	Share Capital $'000	Share Premium $'000	Investment Revaluation Reserve $'000	Cumulative Translation Reserve $'000	Retained Earnings $'000	Total $'000
Balances at 31 March 2008		**365,847**	**13,775**	**(931,279)**	**266,894**	**6,968,821**	**6,684,058**
Total comprehensive income/(loss) for 2009		-	-	(1,164,831)	(266,894)	3,294,353	1,862,628
Transfer to retained earnings		-	-	1,353,043	-	(1,353,043)	-
Dividends	12	-	-	-	-	(336,579)	(336,579)
Balances at 31 March 2009		**365,847**	**13,775**	**(743,067)**	**-**	**8,573,552**	**8,210,107**
Total comprehensive income for 2010		-	-	335,419	-	1,266,912	1,602,331
Dividends	12	-	-	-	-	(175,606)	(175,606)
Balances at 31 March 2010		**365,847**	**13,775**	**(407,648)**	**-**	**9,664,858**	**9,636,832**

The notes on pages 98 to 163 are an integral part of these financial statements

Statement of Cash Flows

Year ended 31 March 2010

(Expressed in Jamaican dollars unless otherwise indicated)

	Note	2010 $'000	2009 $'000
Cash Flows from Operating Activities			
Profit for the year		1,266,912	3,294,353
Adjustments for:			
Interest income	5	(12,740,651)	(11,393,867)
Interest expense	5	10,613,421	10,380,188
Income tax charge	10	49,746	429,534
Share of profits of associated companies		-	(314,995)
Provision for credit losses		23,441	4,892
Impairment of financial assets		-	1,241,046
Amortisation of intangible assets	21	26,255	37,738
Depreciation of property, plant and equipment	22	77,860	88,204
Gains on disposal of property, plant and equipment		(330)	(143)
Foreign currency translation gains		(916,926)	(2,608,516)
Unrealised loss on trading securities		-	93,571
Gains on sale of associated companies		-	(2,329,460)
		(1,600,272)	(1,077,455)
Changes in operating assets and liabilities -			
Income tax recoverable, net		(388,944)	157,632
Notes receivable		(165,034)	(280,611)
Other receivables		(447,414)	(782,877)
Payables		(31,786)	25,583
Securities purchased under agreements to resell		1,291,201	(5,321,056)
Securities sold under agreements to repurchase		9,175,430	17,320,701
		7,833,181	10,041,917
Interest received		12,894,083	10,420,832
Interest paid		(10,635,887)	(10,029,559)
Net cash provided by operating activities (Page 97)		10,091,377	10,433,190

The notes on pages 98 to 163 are an integral part of these financial statements

Statement of Cash Flows (Continued)

Year ended 31 March 2010

(Expressed in Jamaican dollars unless otherwise indicated)

	Note	2010 $'000	2009 $'000
Cash Flows from Operating Activities (Page 96)		10,091,377	10,433,190
Cash Flows from Investing Activities			
Net proceeds/purchase of investment securities		(6,344,251)	(11,219,951)
Interest in subsidiary		(108,674)	(16,051)
Purchase of computer software	21	(15,365)	(36,481)
Purchase of property, plant and equipment	22	(67,719)	(124,358)
Proceeds from disposal of property, plant and equipment		8,419	3,156
Proceeds from disposal of associated company		-	2,991,878
Net cash used in investing activities		(6,527,590)	(8,401,807)
Cash Flows from Financing Activities			
Preference shares		-	117,523
Notes payable		(322,390)	(1,612,229)
Loans payable		(2,205,379)	(140,231)
Dividends paid	12	(175,606)	(336,579)
Net cash used in financing activities		(2,703,375)	(1,971,516)
Effect of exchange rate changes on cash and cash equivalents		83,373	205,363
Net increase in cash and cash equivalents		943,785	265,230
Cash and cash equivalents at beginning of year		1,553,488	1,288,258
CASH AND CASH EQUIVALENTS AT END OF YEAR	13	2,497,273	1,553,488

The notes on pages 98 to 163 are an integral part of these financial statements

Notes to the Financial Statements

31 March 2010

(Expressed in Jamaican dollars unless otherwise indicated)

1. Identification

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

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

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

Name of Subsidiary	% Shareholding Held by Parent/Subsidiary		Country of Incorporation	Principal Activities
	Parent	**Subsidiary**		
JMMB Securities Limited	100		Jamaica	Stock brokering
JMMB Insurance Brokers Limited	100		Jamaica	Insurance brokering
Jamaica Money Market Brokers (Trinidad and Tobago) Limited and its associated company,	100		Trinidad and Tobago	Investment holding company
Intercommercial Bank Limited and its subsidiary, Intercommercial Trust and Merchant Bank Limited		50	Trinidad and Tobago	Commercial and Merchant Banking
JMMB International Limited and its subsidiaries	100		St. Lucia	Investment holding and management
JMMB Dominicana, SA		100	Dominican Republic	Investment holding and management
JMMB BDI AMERICA		80	Dominican Republic	Stock brokering
JMMB Real Estate Holdings Limited	100		Jamaica	Property rental and development
JMMB Holdings Limited	100		St. Lucia	Investment holding

Notes to the Financial Statements

31 March 2010

(Expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

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

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a high degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

Standards and amendments to published standards effective 1 January 2009 that are relevant to the Group's operations

- IFRS 7 (Amendment), Financial instruments – disclosures (effective for annual periods beginning on or after 1 January 2009). The amendment requires enhanced disclosures about fair value measurement and liquidity risk. In particular, the amendment requires disclosure of fair value measurements by level of a fair value measurement hierarchy. As the change in accounting policy only results in additional disclosures, there is no impact on earnings per share. The enhanced disclosures are presented in Note 31.

- IAS 1 (Revised), Presentation of financial statements. The revised standard prohibits the presentation of income and expenses (that is, non-owner changes in equity) in the statement of changes in equity, requiring non-owner changes in equity to be presented separately from owner changes in equity in a statement of comprehensive income. As a result, the Group presents in the consolidated statement of changes in equity all owner changes in equity, whereas all non-owner changes are presented in the consolidated statement of comprehensive income. Comparative information has been re-presented in conformity with the revised standard. The adoption of the amendment results in additional disclosures but does not have an impact on the financial position or the comprehensive income of the Group. The changes resulting from the adoption of this standard are shown on pages 4 and 11.

- IFRS 2 (Amendment), Share based payment. This amendment deals with vesting conditions and cancellations. It clarifies that vesting conditions are service conditions and performance conditions only. Other features of a share based payment are not vesting conditions. These features would need to be included in the grant date fair value for transactions with employees and others providing similar services; they would not impact the number of awards expected to vest or valuation subsequent to grant date. All cancellations, whether by the entity or by other parties, should receive the same accounting treatment. The amendment does not have any impact on the Group's or company's financial statements.

Notes to the Financial Statements

31 March 2010

(Expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(a) Basis of preparation (continued)

Standards and amendments to published standards effective 1 January 2009 that are relevant to the Group's operations (continued)

- IAS 23 (Amendment), Borrowing costs. It requires an entity to capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset (one that takes a substantial period of time to get ready for use or sale) as part of the cost of that asset. The option of immediately expensing those borrowing costs will be removed. The definition of borrowing costs has been amended so that interest expense is calculated using the effective interest method defined in IAS 39. This amendment does not have any impact in the current year as the Group and the company does not have any qualifying assets.

- IFRS 8, Operating Segments. IFRS 8 replaces IAS 14 and aligns segment reporting with the requirements of the US standard SFAS 131, 'Disclosures about segments of an enterprise and related information'. The new standard requires a 'management approach', under which segment information is presented on the same basis as that used for internal reporting purposes. The changes resulting from the adoption of this standard has no impact on t he current reporting as management reports in a similar manner.

- IAS 38 (Amendment), Intangible assets. An asset may only be recognised in the event that payment has been made in advance of obtaining right of access to goods or receipt of services. Deletion of wording that states that there is 'rarely, if ever' support for use of a method that results in a lower rate of amortisation than the straight line method. This amendment does not have any impact on the current year's financial statements.

- IAS 36 (Amendment), Impairment of assets. Where fair value less costs to sell is calculated on the basis of discounted cash flows, disclosures equivalent to those for value-in-use calculation should be made. This amendment does not have any impact on the current year's financial statements.

Standards, amendments and interpretations issued but not effective and have not been early adopted by the Group

The following standard, amendments and interpretations to existing standards have been published and are mandatory for the Group's accounting periods beginning on or after 1 July 2009 or later periods, but the Group has not early adopted them:

- IAS 39 (Amendment), Financial instruments: Recognition and measurement (effective for annual periods beginning on or after 1 July 2009). Clarification that it is possible for there to be movements into and out of the fair value through profit or loss category where:
  - A derivative commences or ceases to qualify as a hedging instrument in cash flow or net investment hedge.
  - Financial assets are reclassified following a change in policy by an insurance company in accordance with IFRS 4.

Notes to the Financial Statements

31 March 2010

(Expressed in Jamaican dollars unless otherwise indicated)

2. **Summary of Significant Accounting Policies (Continued)**

(a) **Basis of preparation (continued)**

Standards, amendments and interpretations issued but not yet effective and have not been early adopted by the Group (continued)

The definition of financial asset or financial liability at fair value through profit or loss as it relates to items that are held for trading is amended. This clarifies that a financial asset or liability that is part of a portfolio of financial instruments managed together with evidence of an actual recent pattern of short-term profit-taking is included in such a portfolio on initial recognition. There is also the removal of a segment as an example of what may be considered a party external to the reporting entity. When re-measuring the carrying amount of a debt instrument on cessation of fair value hedge accounting, the amendment clarifies that a revised effective interest rate (calculated at the date fair value hedge accounting ceases) are used. This Group will apply this amendment from 1 April 2010.

- IFRS 3 (Amendment), 'Business combinations' and consequential amendments to IAS 27, 'Consolidated and Separate Financial Statements', IAS 28, 'Investments in Associates' and IAS 31, 'Interests in Joint Ventures' (effective for annual periods beginning on or after 1 July 2009). These amendments introduce a number of changes in the accounting for business combinations that will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs, and the future reported results. Also, under the amended standards, a change in the ownership interest of a subsidiary is accounted for as an equity transaction. Therefore, such a change will have no impact on goodwill, nor will it give rise to a gain or loss. The Group is assessing the impact of the new requirements regarding acquisition accounting and consolidation and accounting for losses incurred by the subsidiary. The changes must be applied prospectively and will affect future acquisitions.

- IFRIC 17, Distribution of Non-Cash assets to owners (effective from 1 July 2009 and is required to be applied prospectively; earlier application is permitted). A dividend payable should be recognised when appropriately authorised and no longer at the entity's discretion. Where an owner has a choice of a dividend of a non-cash asset or cash, the dividend payable is estimated considering both the fair value and probability of the owners selecting each option. The dividend payable is measured at the fair value of the net assets to be distributed. The difference between fair value of the dividend paid and the carrying amount of the net assets distributed is recognised in profit or loss. The Group will adopt this interpretation from 1 April 2010.

- IFRS 5 (Amendment), 'Non-current assets held-for-sale and discontinued operations (and consequential amendment to IFRS 1, 'First-time adoption'). All of a subsidiary's assets and liabilities are classified as held for sale if a partial disposal sale plan results in loss of control. If the subsidiary described above is a disposal group meeting the definition of a discontinued operation, the relevant disclosures should be made. The Group will apply this amendment from 1 April 2010.

Notes to the Financial Statements
31 March 2010
(Expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(b) Basis of preparation (continued)

Standards, amendments and interpretations issued but not yet effective and have not been early adopted by the Group (continued)

- IAS 19 (Amendment), 'Employee benefits' (effective from 1 July 2009). This amendment clarifies that a plan amendment that results in a change in the extent to which benefit promises are affected by future salary increases is a curtailment, while an amendment that changes benefits attributable to past service give rise to a negative past service cost if it results in a reduction in the present value of the defined benefit obligation. The definition of return on plan assets amended to state that plan administration costs be deducted in the calculation of return on plan assets only to the extent that such costs have been excluded from measurement of the defined benefit obligation. The distinction between short term and long term employee benefits is now based on whether benefits are due to be settled within or after 12 months of employee service being rendered. There is also the deletion of guidance that states IAS 37, 'Provisions, Contingent Liabilities and Contingent Assets' requires contingent liabilities to be recognised. The Group will apply this amendment from 1 April 2010.

- IFRS 2 (amendments), 'Group cash-settled and share-based payment transactions' (effective for annual periods beginning on or after 1 January 2010). In addition to incorporating IFRIC 8, 'Scope of IFRS 2', and IFRIC 11, 'IFRS 2 – Group and treasury share transactions', the amendments expand on the guidance in IFRIC 11 to address the classification of group arrangements that were not covered by that interpretation. The Group is assessing the impact of future adoption of these amendments on its financial statements

- IFRS 9, Financial instruments part 1: Classification and measurement (effective for annual periods beginning on or after 1 January 2013) was issued in November 2009 and replaces those parts of IAS 39 relating to the classification and measurement of financial assets. Key features are as follows:

  Financial assets are required to be classified into two measurement categories: those to be measured subsequently at fair value, and those to be measured subsequently at amortised cost. The decision is to be made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument.

  An instrument is subsequently measured at amortised cost only if it is a debt instrument and both the objective of the entity's business model is to hold the asset to collect the contractual cash flows, and the asset's contractual cash flows represent only payments of principal and interest (that is, it has only 'basic loan features'). All other debt instruments are to be measured at fair value through profit or loss.

  All equity instruments are to be measured subsequently at fair value. Equity instruments that are held for trading will be measured at fair value through profit or loss. For all other equity investments, an irrevocable election can be made at initial recognition, to recognise unrealised and realised fair value gains and losses through other comprehensive income rather than profit or loss. There is to be no recycling of fair value gains and losses to profit or loss. This election may be made on an instrumentby-instrument basis. Dividends are to be presented in profit or loss, as long as they represent a return on investment. While adoption of IFRS 9 is mandatory from 1 January 2013, earlier adoption is permitted. The Group is considering the implications of the standard, the impact on the Group and the timing of its adoption by the Group.

Notes to the Financial Statements

31 March 2010

(Expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(b) Basis of consolidation

The consolidated financial statements combine the financial position, results of operations and cash flows of the company and its subsidiaries (Note 1), and the Group's interest in its associated companies, subject to the elimination described at Note 2 (b)(iii).

(i) Subsidiaries

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

(ii) Associates

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

(iii) Transactions eliminated on consolidation

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

(c) Financial instruments

General

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

For the purposes of the financial statements, financial assets have been determined to include cash and cash equivalents, loans and notes receivable, other receivables, payables, securities purchased under agreements to resell and investments. Financial liabilities comprises bank overdraft, securities sold under agreements to repurchase, accounts payable, notes payable, loans payable and redeemable preference shares. Information relating to fair values and financial instruments risks is summarized below.

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

Notes to the Financial Statements

31 March 2010

(Expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(c) Financial instruments (continued)

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

Fair values

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

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

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

Notes to the Financial Statements

31 March 2010

(Expressed in Jamaican dollars unless otherwise indicated)

2. **Summary of Significant Accounting Policies (Continued)**

(c) **Financial instruments (continued)**

(i) **Cash and cash equivalents**

Cash comprises cash in hand, demand and call deposits with banks and very short-term balances with other brokers/dealers. Cash equivalents are highly liquid financial assets that are readily convertible to known amounts of cash (that is, with original maturities of less than three months), which are subject to insignificant risk of changes in value, and are used for the purpose of meeting short-term commitments. Cash and cash equivalents are carried at cost.

Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

(ii) **Investments**

Available-for-sale financial assets

The Group's investments in equity securities and certain debt securities are classified as available-forsale and are carried at fair value except for unquoted equity securities whose fair value cannot be reliably measured, which are carried at cost. Changes therein, other than impairment losses [Note 2(i)], and foreign exchange gains and losses on available-for-sale monetary items [see note 2(f)], are recognised directly in equity. When an investment is derecognised, the cumulative gain or loss in equity is transferred to profit and loss account.

Investments at fair value through profit or loss

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

Loans and receivables

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

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

(iii) **Resale and repurchase agreements**

Transactions involving purchases of securities under resale agreements ("resale agreements' or reverse repos') or sales of securities under repurchase agreements ('repurchase agreements' or 'repos) are accounted for as short-term collateralised lending and borrowing, respectively. Accordingly, securities sold under repurchase agreements remain on the statement of financial position and are measured in accordance with their original measurement principles. The proceeds of sale are reported as liabilities and are carried at amortised cost. Securities purchased under resale agreements are reported not as purchases of the securities, but as receivables and are carried in the statement of financial position at amortised cost. It is the policy of the Group to obtain possession of collateral with a market value in excess of the principal amount loaned under resale agreements.

Interest earned on resale agreements and interest incurred on repurchase agreements is recognised as interest income and interest expense, respectively, over the life of each agreement using the effective interest method.

Notes to the Financial Statements

31 March 2010

(Expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(c) Financial instruments (continued)

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

(v) Account payable
Accounts payable are stated at their amortised cost.

(vi) Interest-bearing borrowings
Interest-bearing borrowings [other than repos, which are described in [Note 2(c) (iii)] are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised costs, with any difference between cost and redemption being recognised in the profit or loss over the period of the borrowings on an effective yield basis.

(d) Property, plant and equipment
Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset.

The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that future economic benefits embodied within the part flow to the Group and its cost can be measured reliably. The costs of day-to-day servicing of property, plant and equipment are recognised in the profit or loss.

Property, plant and equipment, with the exception of freehold land and paintings, on which no depreciation is provided, are depreciated on the straight-line basis at annual rates estimated to write down the assets to their residual values over their expected useful lives. The depreciation rates are as follows:

Freehold buildings	2½%
Leasehold improvements	The shorter of the estimated useful life and the period of the lease
Motor vehicles	20%
Computer equipment	25%
Other equipment, furniture and fittings	10%

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

(e) Intangible assets

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

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

Notes to the Financial Statements
31 March 2010
(Expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(f) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency').

The consolidated financial statements are presented in Jamaican dollars, which is the Group's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are accounted for at the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss. These rates represent the weighted average rates at which the company trades in foreign currency.

Changes in the fair value of monetary securities denominated in foreign currency classified as available for sale are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in the amortised cost are recognised in profit or loss, and other changes in the carrying amount are recognised in stockholders' equity.

Translation differences on non-monetary items, such as equities classified as available-for-sale financial assets, are included in the fair value reserve in stockholders' equity.

(g) Share capital

The Group classifies capital instruments as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instrument. Preference share capital is classified as equity if it is non-redeemable, or redeemable only at the issuer's option, and any dividends are discretionary. Dividends thereon are recognised as distributions within equity. Preference share capital is classified as a liability if it is redeemable on a specific date or at the option of the stockholders, or if dividends are not discretionary. Dividends thereon are recognised as interest in profit or loss.

The Group's redeemable preference shares are redeemable on specific dates, and bear entitlements to distributions that are cumulative, and not at the discretion of the directors. Accordingly, they are presented as financial liability.

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

Notes to the Financial Statements

31 March 2010

(Expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(h) Taxation

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

(i) Current income tax

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

(ii) Deferred income tax

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

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

(i) Impairment

The carrying amounts of the Group's assets, except for deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated at each reporting date. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the profit or loss.

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

(i) Reversals of impairment

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

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

Notes to the Financial Statements

31 March 2010

(Expressed in Jamaican dollars unless otherwise indicated)

2. **Summary of Significant Accounting Policies (Continued)**

(i) **Impairment (continued)**

(ii) **Reversals of impairment**

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

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

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

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

(j) **Membership share**

Membership share is stated at cost less impairment provisions.

(k) **Interest income and expense**

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

(l) **Employee benefits**

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

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

Pensions are the Group's only post-employment benefit. Pension fund costs included in the Group profit or loss represent contributions to the defined-contribution fund which the Group operates to provide retirement pensions for the Group's employees (Note 32). Contributions to the fund, made on the basis provided for in the rules, are accrued and charged off when due.

Notes to the Financial Statements
31 March 2010
(Expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(m) Operating leases

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

(n) Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing related products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments. The Group's format for segment reporting is based on geographical segments.

(o) Fees and commission income

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

(p) Provisions

Provisions are recognised when there is a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

(q) Borrowings

Borrowings are recognised initially at fair value net of transaction costs incurred. Borrowings are subsequently stated at amortised cost and any difference between net proceeds and the redemption value is recognised in the profit or loss over the period of the borrowings using the effective interest method.

Preference shares, which are mandatorily redeemable on a specific date, are classified as liabilities. The dividends on these preference shares are recognised in the profit or loss as interest expense.

(r) Comparative information

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

Notes to the Financial Statements

31 March 2010

(Expressed in Jamaican dollars unless otherwise indicated)

3. Critical Accounting Judgements and Key Sources of Estimation Uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Use of estimates and judgements

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

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

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

Key sources of estimation uncertainty

(i) Allowance for losses

In determining amounts recorded for allowance for losses in the financial statements, management makes judgements regarding indicators of impairment, that is, whether there are indicators that suggest there may be a measurable decrease in the estimated future cash flows from investments, notes receivable and other financial assets, for example, repayment default and adverse economic conditions. The specific counterparty of the total allowances for impairment applies to financial assets evaluated individually for impairment and is based on management's best estimate of the present value of the cash flows that are expected to be received. In estimating these cash flows, management makes judgements about a counterparty's financial situation and the net realisable value of any underlying collateral. Each impaired asset is assessed on its merits, and the work out strategy and estimate of cash flows considered recoverable are independently approved by the Credit and Market Risk functions.

(ii) Fair value of financial instruments

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

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

(iii) Critical accounting judgements in applying the Group's accounting policies

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

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

Notes to the Financial Statements

31 March 2010

(Expressed in Jamaican dollars unless otherwise indicated)

4. Segment Reporting

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

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

	The Group				
	Year ended 31 March 2010				
	Jamaica $'000	St. Lucia $'000	Other $'000	Eliminations $'000	Group $'000
External revenues	12,996,398	1,714,938	149	-	14,711,485
Intersegment revenue	893,503			(893,503)	-
Total segment revenue	13,889,901	1,714,938	149	(893,503)	14,711,485
Segment results	1,325,555	(317,686)	(4,624)	(1,053)	1,002,192
Share of associated company profit					26,120
Profit before tax					1,028,312
Income tax expense					(41,934)
Profit for the year					986,378
Total segment assets	114,816,396	25,021,647	636,113	(17,498,786)	122,975,370
Total segment liabilities	105,067,190	27,371,261	559,011	(16,912,828)	116,084,634
Interest income	11,864,519	1,638,161	-	-	13,502,680
Operating expenses	1,950,494	153,861	4,773	-	2,109,128
Depreciation and amortisation	106,659	4,938	-	-	111,597
Capital expenditure	119,778	-	-	-	119,778

Notes to the Financial Statements

31 March 2010

(Expressed in Jamaican dollars unless otherwise indicated)

4. Segment Reporting (Continued)

	The Group				
	Year ended 31 March 2009				
	Jamaica $'000	St. Lucia $'000	Other $'000	Eliminations $'000	Group $'000
External revenues	14,193,715	1,863,518	4,153	-	16,061,386
Intersegment revenue	5,915	822,069	-	(827,984)	-
Total segment revenue	14,199,630	2,685,587	4,153	(827,984)	16,061,386
Segment results	4,654,682	184,246	(24,059)	-	4,814,869
Impairment of financial assets					(3,624,437)
Share of associated company profit					354,096
Profit before tax					1,544,528
Income tax expense					(441,906)
Profit for the year					1,102,622
Total segment assets	106,428,866	23,712,798	584,718	(19,532,917)	111,193,465
Total segment liabilities	98,134,911	26,130,264	553,368	(18,951,892)	105,866,651
Interest income	10,578,342	1,891,293	4,153	-	12,473,788
Operating expenses	2,314,836	116,672	24,059	-	2,455,567
Depreciation and amortisation	125,942	5,487	-	-	131,429
Capital expenditure	166,118	70,101	-	-	236,219

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5. Net Interest Income

	The Group		The Company	
	2010	2009	2010	2009
	$'000	$'000	$'000	$'000
Interest income				
Cash and cash equivalents	23,394	21,996	23,394	21,996
Loans and notes receivable	226,799	230,290	205,357	225,790
Resale agreements	1,234,057	872,612	1,234,057	872,612
Investment securities	12,018,430	11,348,890	11,277,843	10,273,469
Total interest income	13,502,680	12,473,788	12,740,651	11,393,867
Interest expense				
Repurchase agreements	10,815,185	10,601,810	9,829,925	9,867,195
Notes payable	89,985	178,243	89,985	178,243
Loans payable	366,156	17,156	364,672	11,549
Redeemable preference shares	328,839	323,201	328,839	323,201
Total interest expense	11,600,165	11,120,410	10,613,421	10,380,188
Net interest income	1,902,515	1,353,378	2,127,230	1,013,679
Total interest income on financial assets not at fair value through profit or loss	13,371,687	11,226,410	12,609,658	9,798,725

6. Staff Costs

	The Group		The Company	
	2010	2009	2010	2009
	$'000	$'000	$'000	$'000
Salaries and benefits, including profit-related pay	809,342	980,569	703,133	878,834
Redundancy	-	57,658	-	49,702
Statutory contributions	66,430	83,150	63,878	78,929
Pension costs	31,367	32,150	28,810	30,361
Training and development	18,685	27,603	15,469	26,971
Staff welfare	83,792	79,535	83,012	79,442
	1,009,616	1,260,665	894,302	1,144,239

Notes to the Financial Statements

31 March 2010

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7. Impairment Loss on Financial Assets

In the prior year, the impairment charge was for a provision on certain of the Group's investment portfolio.

8. Gain on Sale of Associated Companies

In prior year, the Group sold its 45% equity holding in the associated companies, Caribbean Money Market Brokers Limited, CMMB Barbados Limited and CMMB Securities Limited, for US$41,370,000. A gain of J$2,329,460 was realised from the sale and included in the profit or loss.

9. Profit before taxation

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

	The Group		The Company	
	2010	**2009**	**2010**	**2009**
	$'000	**$'000**	**$'000**	**$'000**
Depreciation and amortisation	111,597	131,429	104,115	125,942
Directors' emoluments-				
Fees	28,674	28,168	22,309	23,823
Management remuneration	31,293	27,800	31,293	27,800
Auditors' remuneration	16,800	16,863	8,900	8,900
Bad debts, less recoveries	23,441	4,892	23,441	4,892
Net (gains)/losses on financial assets classified at fair value through profit or loss	(37,449)	115,611	(28,751)	13,932

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10. Taxation

(a) Income tax is computed on the profit for the years adjusted for tax purposes. The charge for taxation comprises income tax at $33\frac{1}{3}$%:

	The Group		The Company	
	2010	2009	2010	2009
	$'000	$'000	$'000	$'000
Current income tax	-	3,006	-	-
Deferred income tax (Note 23)	41,934	438,900	49,746	429,534
	41,934	441,906	49,746	429,534

(b) The tax on profit differs from the theoretical amount that would arise using the statutory rate of $33\frac{1}{3}$% as follows:

	The Group		The Company	
	2010	2009	2010	2009
	$'000	$'000	$'000	$'000
Profit before taxation	1,028,312	1,544,528	1,316,658	3,723,887
Tax calculated at $33\frac{1}{3}$ %	342,771	514,843	438,886	1,241,296
Adjusted for the effects of:				
Effect of taxation under different tax regime	-	(4,877)	-	-
Income not subject to tax	(363,167)	(739,441)	(363,086)	(739,277)
Disallowed expenses	9,018	32,689	8,860	32,513
Effect of lower tax rate on associated company share of profits	(8,706)	(104,998)	-	(104,998)
Adjustment to prior year estimate	62,018	743,690	(34,914)	-
	41,934	441,906	49,746	429,534

(c) At the balance sheet date, taxation losses, subject to agreement with the Commissioner of Taxpayer Audit and Assessment, available for set off against future taxable profits, amount to approximately $4,953,223,000 (2009: $3,148,918,000) for the Group and $1,532,201,000 (2009: $1,359,995,000) for the company.

Notes to the Financial Statements

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11. Earnings per Stock Unitt

Earning per stock unit (‘’ EPS”) is computed by dividing the profit attributable to stockholders of the parent of $983,157,000 (2009: $1,097,082,000) by the number of ordinary stock units in issue during the year, numbering 1,463,386,752 (2009: 1,463,386,752).

12. Dividends

	The Group and The Company	
	2010	**2009**
	$’000	**$’000**
Final dividend in respect of 2009 @ 6.0 (2008: 12.0) cents per stock unit	87,803	175,606
Interim dividend in respect of 2009 @ 6.0 (2008: 12.0) cents per stock unit	87,803	160,973
	175,606	336,579

13. Cash and Cash Equivalents

	The Group		The Company	
	2010	**2009**	**2010**	**2009**
	$’000	**$’000**	**$’000**	**$’000**
Cash	2,631,213	1,662,553	1,596,324	895,713
Cash equivalents	1,012,319	767,704	900,949	657,775
	3,643,532	2,430,257	2,497,273	1,553,488

Cash equivalents of the Group and company include $336,923,000 (2009: $310,817,000) held by an investment broker as security for funding provided on certain investment securities which is not available for immediate use. In addition, the Group also has restricted amount of $7,011,927 (2009:$6,638,197) deposited at an interest rate of 7.50% (2009: 7.50%) under an agreement with a building society which co-ordinates and administers a home ownership assistance programme on behalf of the Group for its employees.

14. Loans and Notes Receivable

	The Group		The Company	
	2010	**2009**	**2010**	**2009**
	$’000	**$’000**	**$’000**	**$’000**
J$ Promissory notes [0-26% (2009 : 0-22%)]	2,424,238	2,211,878	2,424,239	2,211,878
US$ Promissory notes and debenture 8:00% - 11.50% (2009: 8:00% - 11.85%)	994,814	1,075,238	667,569	755,111
GBP Promissory notes and debenture 8% - 10.00% (2009: 8:00% - 8.50%)	160	576	160	576
TT$ Promissory notes 14% (2009: 14%)	239,958	197,904	-	-
	3,659,170	3,485,596	3,091,968	2,967,565
Less: provision for impairment	(19,276)	(36,466)	(19,276)	(36,466)
	3,639,894	3,449,130	3,072,692	2,931,099

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14. Loans and Notes Receivable (Continued)

Certain notes receivable are pledged as security for certain repurchase agreements (Note 26). Notes receivable include an interest-free revolving advance of $390,318,769 (2009:$216,000,000) to the trustees of the Group's Employee Share Ownership Plan (ESOP), the repayment date for which has not yet been fixed (see also Note 15).

15. Other Receivables

	The Group		The Company	
	2010	2009	2010	2009
	$'000	$'000	$'000	$'000
Receivables from related parties	-	-	419,394	366,913
Other receivables	5,356,590	4,967,950	1,390,144	1,126,255
Due from managed fund	610,120	443,017	604,779	443,017
Staff loans	116,710	103,485	116,596	103,485
	6,083,420	5,514,452	2,530,913	2,039,670
Less: provision for impairment	(3,455,543)	(3,383,046)	(991,445)	(947,616)
	2,627,877	2,131,406	1,539,468	1,092,054

Other receivables of the Group and the company include the balance of $3,022,000 (2009: $96,491) on an interest free loan to the Group's ESOP. The date for repayment of the loan has not yet been fixed. The number of shares held by the ESOP at 31 March 2010 was 178,871,702 (2009:138,469,812).

16. Securities Purchased Under Agreements to Resell

	The Group		The Company	
	2010	2009	2010	2009
	$'000	$'000	$'000	$'000
Denominated in Jamaica dollars	948,875	918,505	884,741	918,005
Denominated in United States dollars	1,524,665	536,650	15,370,245	16,927,155
Denominated in Euro	-	-	1,171,433	566,328
Denominated in Dominican Republic Pesos	-	-	832,480	1,138,612
	2,473,540	1,455,155	18,258,899	19,550,100

Resale agreements include balances with related parties as set out in Note 29. All resale agreements mature within twelve months after the balance sheet date.

The securities that the Group obtains as collateral under resale agreements may be used as collateral under repurchase agreements. Certain of these securities and interest accrued thereon are pledged as security for repurchase agreements (Note 26).

At the reporting date, the fair value of the securities obtained and held under resale agreements was $19,548,265,000 (2009: $19,682,612,000) for the Group and company.

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17. Investments

	The Group		The Company	
	2010	**2009**	**2010**	**2009**
	$'000	**$'000**	**$'000**	**$'000**
Loans and receivables				
Certificate of deposits	8,293,742	5,274,527	8,208,642	5,258,696
Government of Jamaica securities	35,771,970	35,354,873	26,991,375	26,755,854
Corporate:				
Sovereign	9,924,801	5,637,106	5,783,683	5,637,106
Other	7,696,947	13,256,117	7,696,947	8,745,197
	61,687,460	59,522,623	48,680,647	46,396,853
Available-for-sale securities:				
Government of Jamaica securities	33,458,838	27,278,026	33,458,838	27,278,026
Sovereign bond	8,545,609	7,476,480	-	-
Quoted securities	756,582	606,455	669,979	606,455
Units in unit trusts	163,440	95,194	163,440	95,194
Money Market Funds	268,401	273,941	268,401	273,941
Other	7,205	36,875	-	36,875
	43,200,075	35,766,971	34,560,658	28,290,491
Fair value through profit and loss:				
Government of Jamaica securities	-	1,215,956	-	1,215,956
Quoted securities	-	40,741	-	-
	-	1,256,697	-	1,215,956
	104,887,535	96,546,191	83,241,305	75,903,300
Less: provision for impairment losses	-	(285,329)	-	(285,329)
	104,887,535	96,260,862	83,241,305	75,617,971

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17. Investments (Continued)

Provision for impairment

	The Group		The Company	
	2010	**2009**	**2010**	**2009**
	$'000	**$'000**	**$'000**	**$'000**
Balance as 1 April	285,329	3,638	285,329	3,638
Charge for the year	-	281,691	-	281,691
Write-offs	(285,329)	-	(285,329)	-
Balance as 31 March	-	285,329	-	285,329

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

	The Group		The Company	
	2010	**2009**	**2010**	**2009**
	$'000	**$'000**	**$'000**	**$'000**
Government of Jamaica securities				
Within 3 months	469,405	234,863	469,405	234,863
From 3 months to 1 year	66,349	6,980,671	66,349	6,980,671
From 1 year to 5 years	21,763,975	17,551,956	18,193,468	14,011,866
Over 5 years	46,931,079	39,106,157	41,720,991	34,047,228
	69,230,808	63,873,647	60,450,213	55,274,628
Certificate of deposits				
Within 3 months	7,293,742	2,028,308	7,208,642	2,028,308
From 3 months to 1 year	1,000,000	3,246,219	1,000,000	3,230,388
	8,293,742	5,274,527	8,208,642	5,258,696
Sovereign bonds and corporate bonds:				
Within 3 months	-	41,731	-	-
From 3 months to 1 year	-	391,290	-	391,290
From 1 year to 5 years	3,707,720	2,360,518	460,902	264,148
Over 5 years	22,459,637	23,564,562	13,019,728	13,726,864
	26,167,357	26,358,101	13,480,630	14,382,302
Other [see (c) below]	1,195,628	754,587	1,101,820	702,345
	104,887,535	96,260,862	83,241,305	75,617,971

(a) Government of Jamaica securities and certain other bonds are pledged as security for repurchase agreements (Note 26) and loans payable (Note 28).

(b) Government of Jamaica securities having an aggregate face value of $275,000,000 (2009: $408,500,000) have been pledged as collateral against possible overdrafts at the Central Bank and against uncleared effects at one of the company's bankers.

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17. Investment (Continued)

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

18. Membership Share

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

19. Interest in Subsidiary

	The Company	
	2010	**2009**
	$'000	**$'000**
JMMB Securities Limited		
Shares, at cost – equity	26,050	26,050
– preference	79,000	79,000
Subordinated loan	8,000	8,000
	113,050	113,050
JMMB Insurance Brokers Limited		
Shares, at cost - equity	105,000	95,000
Jamaica Money Marker Brokers (Trinidad and Tobago) Limited		
Shares, at cost – equity	-	-
Loan	336,765	336,765
JMMB International Limited		
Shares, at cost – equity	500,000	500,000
JMMB Real Estate Holdings Limited		
Shares, at cost – equity	1	1
JMMB Holdings Limited		
Shares, at cost - equity	9	-
Loan	98,665	-
	98,674	-
	1,153,490	1,044,816

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20. Interest in Associated Companies

	The Group		The Company	
	2010	2009	2010	2009
	$'000	$'000	$'000	$'000
Shares, at cost	331,042	331,042	-	-
Shares of post-acquisition profits	165,985	139,865	-	-
Share of investment revaluation reserve	(25,977)	(44,877)	-	-
Cumulative translation reserve	160,882	158,688	-	-
	631,932	584,718	-	-

The summarized financial information for the associates are as follows:

	The Group		The Company	
	2010	2009	2010	2009
	$'000	$'000	$'000	$'000
Assets	17,458,048	13,648,150	-	-
Liabilities	16,188,235	12,462,842	-	-
Revenue	908,844	822,707	-	-
Profit	52,240	88,956	-	-

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21. Intangible Assets

	Group		
	Computer Software $'000	Goodwill $'000	Total $'000
Deemed Cost -			
At 31 March 2008	317,778	6,174	323,952
Transfer from WIP	6,223	-	6,223
Additions	30,258	9,064	39,322
Adjustment	(451)	1,506	1,055
At 31 March 2009	353,808	16,744	370,552
Additions	15,365	-	15,365
Adjustment	90	-	90
At 31 March 2010	369,263	16,744	386,007
Accumulated amortization -			
At 31 March 2008	241,335	-	241,335
Charge for the year	39,243	-	39,243
Adjustment	(6,431)	-	(6,431)
At 31 March 2009	274,147	-	274,147
Charge for the year	28,348	-	28,348
At 31 March 2010	302,495	-	302,495
Net Book Value -			
31 March 2010	66,768	16,744	83,512
31 March 2009	79,661	16,744	96,405
31 March 2008	76,443	6,174	82,617

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21. Intangible Assets (Continued)

The Company

	Company	
	Computer Software $'000	Total $'000
Deemed Cost -		
At 31 March 2008	291,529	291,529
Additions	36,481	36,481
Adjustment	(451)	(451)
At 31 March 2009	327,559	327,559
Additions	15,365	15,365
At 31 March 2010	342,924	342,924
Accumulated amortization -		
At 31 March 2008	219,672	219,672
Charge for the year	37,738	37,738
Adjustment	(5,730)	(5,730)
At 31 March 2009	251,680	251,680
Charge for the year	26,255	26,255
At 31 March 2010	277,935	277,935
Net Book Value -		
31 March 2010	64,989	64,989
31 March 2009	75,879	75,879
31 March 2008	71,857	71,857

22. Property, Plant and Equipment

The Group

	Freehold Land and Buildings $'000	Leasehold Improvement $'000	Motor Vehicles $'000	Computer Equipment $'000	Equipment, Furniture and Fittings $'000	Total $'000
			The Group			
Cost						
At 31 March 2008	656,239	81,477	69,029	234,780	200,923	1,242,448
Additions	106,712	-	-	27,929	38,226	172,867
Transfer from WIP	26,871	-	-	-	-	26,871
Disposals	-	-	(5,218)	(101)	(215)	(5,534)
Adjustment	(179)	-	(3,490)	(267)	(56)	(3,992)
Translation difference	-	1,540	255	196	937	2,928
At 31 March 2009	789,643	83,017	60,576	262,537	239,815	1,435,588
Additions	62,950	5,689	5,150	16,954	13,579	104,322
Disposals	(8,501)	-	(7,442)	(123)	-	(16,066)
At 31 March 2010	844,092	88,706	58,284	279,368	253,394	1,523,844
Accumulated Depreciation						
At 31 March 2008	27,575	54,979	39,331	156,277	80,886	359,048
Charge for the year	9,995	10,624	9,985	40,566	21,016	92,186
Disposals	-	-	(2,300)	(6)	(41)	(2,347)
Adjustment	(3,330)	111	(1,502)	(3,875)	(783)	(9,379)
At 31 March 2009	34,240	65,714	45,514	192,962	101,078	439,508
Charge for the year	10,465	5,144	6,988	38,582	22,070	83,249
Disposals	(637)	-	(6,078)	(123)	-	(6,838)
Adjustment	-	25	6	68	21	120
At 31 March 2010	44,068	70,883	46,430	231,489	123,169	516,039
Net Book Value						
At 31 March 2010	800,024	17,823	11,854	47,879	130,225	1,007,805
At 31 March 2009	755,403	17,303	15,062	69,575	138,737	996,080
At 31 March 2008	628,664	26,498	29,698	78,503	120,037	883,400

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22. Property, Plant and Equipment (Continued)

The Company

	Freehold Land and Buildings $'000	Leasehold Improvement $'000	Motor Vehicles $'000	Computer Equipment $'000	Equipment, Furniture and Fittings $'000	Total $'000
Cost						
At 31 March 2008	656,239	67,092	66,658	231,719	189,526	1,211,234
Additions	32,541	-	-	27,378	37,568	97,487
Transfer from WIP	26,871	-	-	-	-	26,871
Disposals	-	-	(5,218)	(101)	-	(5,319)
Adjustment	(179)	-	(3,490)	(268)	(56)	(3,993)
At 31 March 2009	715,472	67,092	57,950	258,728	227,038	1,326,280
Additions	32,976	5,266	-	16,740	12,737	67,719
Disposals	(8,500)	-	(4,807)	(123)	-	(13,430)
At 31 March 2010	739,948	72,358	53,143	275,345	239,775	1,380,569
Accumulated depreciation						
At 31 March 2008	27,576	53,599	38,408	146,076	78,756	344,415
Charge for the year	9,995	9,574	9,523	39,512	19,600	88,204
Disposals	-	-	(2,300)	(6)	-	(2,306)
Adjustment	(3,330)	(91)	(1,615)	(4,711)	(962)	(10,709)
At 31 March 2009	34,241	63,082	44,016	180,871	97,394	419,604
Charge for the year	10,465	3,502	5,995	37,194	20,704	77,860
Disposals	(638)	-	(4,580)	(123)	-	(5,341)
At 31 March 2010	44,068	66,584	45,431	217,942	118,098	492,123
Net book value						
At 31 March 2010	695,880	5,774	7,712	57,403	121,677	888,446
At 31 March 2009	681,231	4,010	13,934	77,857	129,644	906,676
At 31 March 2008	628,663	13,493	28,250	85,643	110,770	866,819

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23. Deferred Income Taxes

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income tax assets and liabilities relate to income tax levied by the same fiscal authority on either the taxable entity or different taxable entity where there is an intention to settle the balances on the net basis.

Deferred income tax is calculated in full on temporary differences under the liability method using a principal tax rate of $33\frac{1}{3}$%.

Deferred tax assets and liabilities recognised on the balance sheet are as follows:

	The Group		The Company	
	2010	**2009**	**2010**	**2009**
	$'000	**$'000**	**$'000**	**$'000**
Deferred income tax assets	26,150	20,787	-	-
Deferred income tax liabilities	(278,902)	(120,706)	(278,902)	(119,045)
Net deferred income tax liabilities	(252,752)	(99,919)	(278,902)	(119,045)

The movement in the net deferred income tax balance is as follows:

	The Group		The Company	
	2010	**2009**	**2010**	**2009**
	$'000	**$'000**	**$'000**	**$'000**
Balance at beginning of year (liabilities)/assets	(99,919)	127,107	(119,045)	111,746
Charged to profit or loss (Note 10)	(41,934)	(438,900)	(49,746)	(429,534)
(Charged)/credited to stockholders' equity	(110,899)	211,874	(110,111)	198,743
Balance at end of year	(252,752)	(99,919)	(278,902)	(119,045)

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23. Deferred Income Taxes (Continued)

Deferred income tax assets and deferred income liabilities are due to the following items:

	The Group		The Company	
	2010	**2009**	**2010**	**2009**
	$'000	**$'000**	**$'000**	**$'000**
Deferred income tax assets -				
Investments	786,747	743,863	787,055	737,777
Payables	4,124	16,983	4,109	16,983
Interest payable	469,650	477,138	469,650	477,138
Tax losses carried forward	525,608	293,034	497,432	272,195
	1,786,129	1,531,018	1,758,246	1,504,093
Deferred income tax liabilities -				
Unrealised foreign exchange gains	1,298,486	873,533	1,298,288	869,418
Property, plant and equipment	22,810	25,758	22,639	24,112
Accounts receivable	1,364	2,038	-	-
Interest receivable	716,221	729,608	716,221	729,608
	2,038,881	1,630,937	2,037,148	1,623,138
Net deferred income tax liabilities	(252,752)	(99,919)	(278,902)	(119,045)

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24. Share Capital

	2010 Number of Shares '000	2009 Number of Shares '000
Authorised:		
Ordinary stock units of no par value	1,566,400	1,566,400
12.25% cumulative redeemable preference shares of no par value	783,776	783,776
12% cumulative redeemable preference shares of no par value	70,776	70,776
12.15% cumulative redeemable preference shares of no par value	47,328	47,328
	2,468,280	2,468,280

	2010 $'000	2009 $'000
Stated capital:		
1,463,386,752 (2009: 1,463,386,752) ordinary stock units	365,847	365,847
783,776,000 (2009: 783,776,000) 12.25% cumulative redeemable preference shares	2,312,139	2,312,139
70,766,000 (2009: 70,766,000) 12% cumulative redeemable preference shares stock units	212,298	212,298
47,328,000 (2009: 47,328,000)12.15% cumulative redeemable preference stock units	165,648	165,648
	3,055,932	3,055,932
Less redeemable preference stock units required by IFRS to be accounted for as liabilities in the financial statements	(2,690,085)	(2,690,085)
	365,847	365,847

The holders of ordinary stock units are entitled to receive dividends as declared from time to time and are entitled to one vote per share at Annual General meetings of the company.

The significant terms and conditions of the preference stock units are as follows:

(i) The right to a cumulative preferential dividend payable monthly at the rate agreed for each class;

(ii) The right, on winding up, to receive all arrears of dividend and repayment of the capital in priority to the ordinary shareholders;

(iii) No right to vote except where dividends are not paid for twelve months or on winding up of the company.

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25. Other Reserves

This represents transfer of 5% of liquid profit of a subsidiary to a non distributable reserve until this reserve equals 10% of the subsidiary's capital stock.

26. Securities Sold Under Agreements to Repurchase

	The Group		The Company	
	2010	2009	2010	2009
	$'000	$'000	$'000	$'000
Denominated in Jamaica dollars	39,505,765	36,338,032	39,590,417	36,338,032
Denominated in United States dollars	56,015,144	47,681,478	47,946,186	42,896,809
Denominated in Pound Sterling	2,072,772	1,552,301	2,072,772	1,552,301
Denominated in Euro	4,165,823	4,195,218	1,660,487	1,540,809
Denominated in Dominican Republic Peso	591,648	83,655	-	-
Denominated in Canadian dollars	493,833	260,314	493,833	260,314
	102,844,985	90,110,998	91,763,695	82,588,265

Repurchase agreements are collateralized by certain securities and other instruments held by the Group and the company with a carrying value of $105,091,641,000 (2009:$94,510,310,472) and $97,677,696,000 (2009:$88,077,139,941) respectively (Notes 14, 16 and 17).

Repurchase agreements include balances with related parties as set out in Note 29. Certain of these securities and interest accrued thereon are pledged as security for repurchase agreements (Note 16).

27. Notes Payable

	The Group		The Company	
	2010	2009	2010	2009
	$'000	$'000	$'000	$'000
(i) 8.25% US$ 12,500,000 promissory note	561,110	883,500	561,110	883,500
(ii) 12.00% TT$14,000,000 commercial paper promissory note	87,540	197,904	-	-
	648,650	1,081,404	561,110	883,500

(i) This note is unsecured and the entire amount is repayable on 30 November 2010. Interest is paid semi-annually, and may be varied at the option of the promisee, in consultation with the promissor, provided that the rate does not exceed the Central Bank of Trinidad and Tobago's 90-day Treasury bill rate.

(ii) This note is unsecured and the entire amount is repayable by 5 October 2010.

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28. Loans Payable

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

(i) US$Nil (2009: US$465,495) on an instalment loan, the principal of which is repayable in twenty equal quarterly instalments of US$235,000. The loan bears interest at a fixed rate of 6.5% per annum. Certain GOJ securities owned by the company are pledged as collateral for this loan. This amount was repaid during the financial year.

(ii) US$Nil (2009: US$251,080) amortised loan repayable at US$10,058 per month, over five years. This was secured by property owned by the company (Note 22). This amount was repaid during the financial year.

(iii) US$78,800,000 (2009: US$103,972,854) loan that bears interest at a fixed rate of 4% per annum. Certain GOJ securities owned by the company are pledged as collateral for this loan.

The amount due within twelve months of the balance sheet date is US$78,800,000 (2009: US$104,689,000).:

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29. Related Party Transactions and Balances

Parties are considered to be related if one party has the ability to control or exercise significant influence over the other party in making financial or operational decisions.

Related companies include ultimate parent company, parent company, fellow subsidiaries and associated company. Related parties include directors, key management and companies for which the Group provides management services.

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

	The Group		The Company	
	2010 $'000	**2009 $'000**	**2010 $'000**	**2009 $'000**
Directors				
Notes receivable	19,487	36,117	19,487	36,117
Interest payable	(1,807)	(4,461)	(1,807)	(4,461)
Repurchase agreements	(140,533)	(200,122)	(140,533)	(200,122)
Major Shareholders -				
Notes receivable	480,089	379,561	480,089	379,561
Interest payable	(1,211)	(8,318)	(1,211)	(8,318)
Repurchase agreements	(88,113)	(191)	(88,113)	(191)
Subsidiaries -				
Resale agreements	-	-	17,082,160	18,095,445
Other receivables	-	-	-	362,038
Interest receivable	-	-	4,179	8,182

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29. Related Party Transactions and Balances (Continued)

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

	The Group		The Company	
	2010	2009	2010	2009
	$'000	$'000	$'000	$'000
Directors				
Interest income	6,858	685	6,858	685
Interest expense	(15,478)	(13,015)	(15,478)	(13,015)
Major Shareholders -				
Interest income	23,372	2,144	23,372	2,144
Interest expense	(873)	(1,081)	(873)	(1,081)
Subsidiaries -				
Interest income	-	-	983,313	258,108

(iii) Key management compensation includes directors, senior management of the company and company secretary. The compensation paid or payable to key management for employee services is as shown below:

	The Group		The Company	
	2010	2009	2010	2009
	$'000	$'000	$'000	$'000
Short-term employee benefits				
including directors fees (Note 9)	116,830	136,536	116,830	136,536
Post-employment benefits	6,818	5,055	6,818	5,055
	123,648	141,591	123,648	141,591

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30. Financial Risk Management

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

(a) Introduction and overview

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

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

Risk management framework

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

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

The Board of Directors is ultimately responsible for the establishment and oversight of the Group's risk management framework. The Board has established committees/departments for managing and monitoring risks, as follows:

(i) Risk Management Committee

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

(ii) Board Credit Committee

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

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30. Financial Risk Management (Continued))

(a) Introduction and overview (continued)

(iii) Audit Committee

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

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

(iv) Investment Committee

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

(b) Credit risk

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

Credit review process

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

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30. Financial Risk Management (Continued))

(b) Credit risk (continued)

(i) Loans and notes receivable

The Group assesses the probability of default of individual counterparties using internal ratings. Clients of the Group are segmented into rating classes. The Group's rating scale, which is shown below, reflects the range of default probabilities defined for each rating class.

Group's internal rating scale:

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

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

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

(ii) Investments and resale agreements

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

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

(iii) Cash and cash equivalents

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

30. **Financial Risk Management (Continued))**

(b) **Credit risk (continued)**

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

The main types of collateral obtained are as follows:

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

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

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

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

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

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

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

- Delinquency in contractual payments of principal or interest;
- Cash flow difficulties experienced by the borrower (e.g. equity ratio, net income percentage of sales);
- Breach of loan covenants or conditions;
- Initiation of bankruptcy proceedings;
- Deterioration of the borrower's competitive position; and
- Deterioration in the value of collateral.

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30. Financial Risk Management (Continued))

(b) Credit risk (continued)

Impairment (continued)

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

	Maximum exposure			
	The Group		The Company	
	2010	2009	2010	2009
	$'000	$'000	$'000	$'000
Credit risk exposures relating to carrying amounts are as follows:				
Cash and cash equivalents	3,643,532	2,430,257	2,497,273	1,553,488
Investment securities	104,887,535	96,260,862	83,241,305	75,617,971
Loans and notes receivable	3,639,894	3,449,130	3,072,692	2,931,099
Securities purchased under agreements to resell	2,473,540	1,455,155	18,258,899	19,550,100
Interest in associated companies	631,932	584,718	-	-
Other receivable, net of provision	2,627,877	2,131,406	1,539,468	1,092,054
	117,904,310	106,311,528	108,609,637	100,744,712
Credit risk exposures relating to off balance sheet items are as follows:				
Loan commitments	43,304	26,000	43,304	26,000
Guarantees and letters of credit	16,361	70,000	16,361	70,000
	59,665	96,000	59,665	96,000

The above table represents a worst-case scenario of credit risk exposure to the Group and company at 31 March 2010 and 2009, without taking account of any collateral held or other credit enhancements. For on-balance sheet assets, the exposures set out above are based on net carrying amounts as reported in the statement of financial position.

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30. Financial Risk Management (Continued))

(b) Credit risk (continued)

Loans and notes receivable, other receivables and investment securities

(i) Financial assets – individually impaired

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

	The Group and Company	
	2010	**2009**
	$'000	**$'000**
Investments	-	-
Loans and notes receivable	313,895	44,074

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

The fair value of the collateral that the Group and company held as security for individually impaired investment and loans and notes receivable was $Nil (2009: $Nil).

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

(iii) Financial assets that are past due but not impaired amount to $625,152,000 (2009: $419,600,000) for the Group and company.

(iv) During the year, the Group renegotiated credit to the value of $272,336,000 and had repossessed collateral of $5,000,000.

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30. Financial Risk Management (Continued))

(b) Credit risk (continued)

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

The Group

	2010				
	Cash and cash equivalents	Loans and notes receivable	Resale agreements	Investments	Total
	$'000	$'000	$'000	$'000	$'000
Carrying amounts	3,643,532	3,639,894	2,473,540	104,887,535	114,644,501
Concentration by sector					
Government of Jamaica	-	-	-	73,371,926	73,371,926
Sovereign bonds	-	-	-	5,783,683	5,783,683
Bank of Jamaica	-	-	-	8,208,642	8,208,642
Corporate	-	567,202	2,473,540	7,696,947	10,737,689
Financial institutions	3,643,532	-	-	5,902,104	9,545,636
Retails	-	3,072,692	-	3,924,233	6,996,925
	3,643,532	3,639,894	2,473,540	104,887,535	114,644,501
Concentration by location					
Jamaica	1,754,517	3,291,898	2,473,540	90,465,938	97,985,893
North America	946,444	-	-	1,985,651	2,932,095
Trinidad	6,477	239,957	-	-	246,434
Other	936,094	108,039	-	12,435,946	13,480,079
	3,643,532	3,639,894	2,473,540	104,887,535	114,644,501

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30. Financial Risk Management (Continued)

(b) Credit risk (continued)

The Group

	2009				
	Cash and cash equivalents	Loans and notes receivable	Resale agreements	Investments	Total
	$'000	$'000	$'000	$'000	$'000
Carrying amounts	2,430,257	3,449,130	1,455,155	96,260,862	103,595,404
Concentration by sector					
Government of Jamaica	-	-	-	68,078,646	68,078,646
Sovereign bonds	-	-	-	8,039,766	8,039,766
Bank of Jamaica	-	-	-	5,258,696	5,258,696
Corporate	-	518,031	1,037,689	10,393,924	11,949,644
Financial institutions	2,430,257	-	-	4,489,830	6,920,087
Retails	-	2,931,099	417,466	-	3,348,565
	2,430,257	3,449,130	1,455,155	96,260,862	103,595,404
Concentration by location					
Jamaica	1,336,789	3,251,226	1,455,155	82,854,689	88,897,859
North America	777,265	-	-	5,366,407	6,143,672
Trinidad	5,299	197,904	-	-	203,203
Other	310,904	-	-	8,039,766	8,350,670
	2,430,257	3,449,130	1,455,155	96,260,862	103,595,404

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30. Financial Risk Management (Continued))

(b) Credit risk (continued)

The Company

	2010				
	Cash and cash equivalents	Loans and notes receivable	Resale agreements	Investments	Total
	$'000	$'000	$'000	$'000	$'000
Carrying amounts	2,497,273	3,072,692	18,258,899	83,241,305	107,070,169
Concentration by sector					
Government of Jamaica	-	-	-	60,450,213	60,450,213
Sovereign bonds	-	-	-	5,783,683	5,783,683
Bank of Jamaica	-	-	-	8,208,642	8,208,642
Corporate	-	-	17,187,132	7,696,947	24,884,079
Financial institutions	2,497,273	-	673,169	1,101,820	4,272,262
Retails	-	3,072,692	398,598	-	3,471,290
	2,497,273	3,072,692	18,258,899	83,241,305	107,070,169
Concentration by location					
Jamaica	1,590,874	3,072,692	17,426,419	77,457,622	99,547,607
North America	901,460	-	-	-	901,460
Trinidad	4,939	-	-	-	4,939
Other	-	-	832,480	5,783,683	6,616,163
	2,497,273	3,072,692	18,258,899	83,241,305	107,070,169

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30. Financial Risk Management (Continued))

(b) Credit risk (continued)

The Company

	2009				
	Cash and cash equivalents	Loans and notes receivable	Resale agreements	Investments	Total
	$'000	$'000	$'000	$'000	$'000
Carrying amounts	1,553,488	2,931,099	19,550,100	75,617,971	99,652,658
Concentration by sector					
Government of Jamaica	-	-	-	55,249,836	55,249,836
Sovereign bonds	-	-	-	5,637,106	5,637,106
Bank of Jamaica	-	-	-	5,258,696	5,258,696
Corporate	-	-	17,994,022	8,745,196	26,739,218
Financial institutions	1,553,488	-	1,104,778	727,137	3,385,403
Retails	-	2,931,099	451,300	-	3,382,399
	1,553,488	2,931,099	19,550,100	75,617,971	99,652,658
Concentration by location					
Jamaica	1,167,936	2,931,099	18,411,498	69,980,865	92,491,398
North America	381,774	-	-	-	381,774
Trinidad	3,778	-	-	-	3,778
Other	-	-	1,138,602	5,637,106	6,775,708
	1,553,488	2,931,099	19,550,100	75,617,971	99,652,658

30. Financial Risk Management (Continued)

(c) Liquidity risk

Liquidity risk is the risk that the Group is unable to meet its payment obligations associated with its financial liabilities when they fall due and to replace funds when they are withdrawn. The consequence may be the failure to meet obligations to repay depositors and fulfil commitments to lend.

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

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

Liquidity risk management process

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

(i) Monitoring future cash flows and liquidity on a daily basis. This incorporates an assessment of expected cash flows and the availability of high grade collateral which could be used to secure funding if required;
(ii) Maintaining a portfolio of highly marketable and diverse assets that can easily be liquidated as protection against any unforeseen interruption to cash flow;
(iii) Optimising cash returns on investments;
(iv) Managing the concentration and profile of debt maturities.

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

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

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30. Financial Risk Management (Continued))

(c) Liquidity risk (continued)

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

	2010				
	The Group				
	Within 3 Months $'000	3 to 12 Months $'000	1-5 Years $'000	Contractual Cash Flow $'000	Carrying Amount $'000
Financial Liabilities					
Notes payable	-	648,650	-	648,650	648,650
Loans payable	-	7,043,932	-	7,043,932	7,043,932
Securities sold under agreements to repurchase	80,533,083	22,304,206	7,696	102,844,985	102,944,985
Redeemable preference shares	-	2,690,085	-	2,690,085	2,690,085
Payables	511,044	-	-	511,044	511,044
	81,044,127	32,686,873	7,696	113,738,696	113,738,696

	2009				
	The Group				
	Within 3 Months $'000	3 to 12 Months $'000	1-5 Years $'000	Contractual Cash Flow $'000	Carrying Amount $'000
Financial Liabilities					
Notes payable	-	1,081,404	-	1,081,404	1,081,404
Loans payable	553,329	8,684,462	11,520	9,249,311	9,249,311
Securities sold under agreements to repurchase	68,234,502	21,875,760	736	90,110,998	90,110,998
Redeemable preference shares	82,210	246,629	2,361,246	2,690,085	2,690,085
Payables	515,801	-	-	515,801	515,801
	69,385,842	31,888,255	2,373,502	103,647,599	103,647,599

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30. Financial Risk Management (Continued)

(c) Liquidity risk (continued)

Residual contractual maturities of financial liabilities (continued)

	2010				
	The Company				
	Within 3 Months $'000	3 to 12 Months $'000	1-5 Years $'000	Contractual Cash Flow $'000	Carrying Amount $'000
Financial Liabilities					
Notes payable	-	561,110	-	561,110	561,110
Loans payable	-	7,043,932	-	7,043,932	7,043,932
Securities sold under					
agreements to repurchase	69,536,434	22,219,565	7,696	91,763,695	91,763,695
Redeemable preference shares	-	2,690,085	-	2,690,085	2,690,085
Payables	245,881	-	-	245,881	245,881
	69,782,315	32,514,692	7,696	102,304,703	102,304,703

	2009				
	The Company				
	Within 3 Months $'000	3 to 12 Months $'000	1-5 Years $'000	Contractual Cash Flow $'000	Carrying Amount $'000
Financial Liabilities					
Notes payable	-	883,500	-	883,500	883,500
Loans payable	553,329	8,684,462	11,520	9,249,311	9,249,311
Securities sold under					
agreements to repurchase	60,795,154	21,792,375	736	82,588,265	82,588,265
Redeemable preference shares	82,210	246,629	2,361,246	2,690,085	2,690,085
Payables	277,667	-	-	277,667	277,667
	61,708,360	31,606,966	2,373,502	95,688,828	95,688,828

Notes to the Financial Statements

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30. Financial Risk Management (Continued)

(d) Market risk

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

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

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

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

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

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

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30. Financial Risk Management (Continued)

(d) Market risk (continued)

A summary of the VaR position of the Group's overall portfolio as at 31 March 2010 and during the year is as follows:

	31 March $'000	Average for Year $'000	Maximum during Year $'000	Minimum during Year $'000
2010 Overall VaR	2,680,825	1,992,769	4,779,341	1,109,495
2009 Overall VaR	1,423,205	1,892,823	5,713,193	312,881

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

(i) ***Currency risk***

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

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

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

	The Group		The Company		Exchange rates	
	2010 $'000	2009 $'000	2010 $'000	2009 $'000	2010	2009
United States dollars	6,952,944	15,443,562	6,952,944	15,443,562	89.39	88.35
Great Britain pounds	(22,068)	(898,503)	(22,068)	(898,503)	133.53	126.89
Euros	(157,674)	1,033,732	(188,979)	520,667	119.81	116.50
Trinidad and Tobago dollars	(77,882)	46,866	86,502	44,869	14.03	14.11
Canadian dollars	12,809	(177,587)	12,809	(177,587)	87.22	71.27
Peso	834,031	1,144,022	834,031	1,144,022	2.45	2.48

Notes to the Financial Statements

31 March 2010

(Expressed in Jamaican dollars unless otherwise indicated)

30. Financial Risk Management (Continued)

(d) Market risk (continued)

(i) Currency risk (continued)

Foreign currency sensitivity

The following tables indicate the currencies to which the Group and company had significant exposure on their monetary assets and liabilities and their forecast cash flows. The change in currency rates below represents management's assessment of the possible change in foreign exchange rates:

	The Group			
	Change in Currency Rate 2010 %	Effect on Profit 2010 $'000	Change in Currency Rate 2009 %	Effect on Profit 2009 $'000
Currency:				
USD	5	347,647	5	772,178
GBP	5	(1,103)	5	(44,925)
EUR	5	(7,884)	5	51,687
PESO	5	41,702	5	57,201
CAD	5	640	5	(8,879)
TT$	5	(3,894)	5	2,343
		377,108		829,605

	The Company			
	Change in Currency Rate 2010 %	Effect on Profit 2010 $'000	Change in Currency Rate 2009 %	Effect on Profit 2009 $'000
Currency:				
USD	5	347,647	5	772,178
GBP	5	(1,103)	5	(44,925)
EUR	5	(9,449)	5	26,033
PESO	5	41,702	5	57,201
CAD	5	640	5	(8,878)
TT$	5	4,325	5	2,243
		383,762		803,852

Notes to the Financial Statements

31 March 2010

(Expressed in Jamaican dollars unless otherwise indicated)

30. Financial Risk Management (Continued)

(d) Market risk (continued)

(ii) Interest rate risk

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

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

The following tables summarise the Group's and the company's exposure to interest rate risk to earnings. It includes the Group's and company's financial instruments at carrying amounts, categorised by the earlier of contractual repricing or maturity dates.

	The Group				
	Within 3 Months $'000	**3 to 6 Months $'000**	**6 to 12 Months $'000**	**1 to 5 Years $'000**	**Total $'000**
At 31 March 2010:					
Assets					
Cash and cash equivalents	3,643,532	-	-	-	3,643,532
Loans and notes receivable	2,425,687	90,235	749,485	374,487	3,639,894
Securities purchased under agreements to resell	2,473,540	-	-	-	2,473,540
Investment securities	46,298,028	33,860,606	3,260,148	21,468,753	104,887,535
Total interest bearing assets	54,840,787	33,950,841	4,009,633	21,843,240	114,644,501
Liabilities					
Notes payable	648,650	-	-	-	648,650
Loans payable	-	7,043,932	-	-	7,043,932
Securities sold under agreements to repurchase	74,357,518	14,722,225	8,335,790	5,429,452	102,844,985
Redeemable preference shares	2,690,085	-	-	-	2,690,085
Total interest bearing liabilities	77,696,253	21,766,157	8,335,790	5,429,452	113,227,652
Total interest sensitivity gap	(22,855,466)	12,184,684	(4,326,157)	16,413,788	1,416,849
Cumulative interest sensitivity gap	(22,855,466)	(10,670,782)	(14,996,939)	1,416,849	

Notes to the Financial Statements

31 March 2010

(Expressed in Jamaican dollars unless otherwise indicated)

30. Financial Risk Management (Continued)

(d) Market risk (continued)

(ii) Interest rate risk (continued)

	The Group				
	Within 3 Months $'000	**3 to 6 Months $'000**	**6 to 12 Months $'000**	**1 to 5 Years $'000**	**Total $'000**
At 31 March 2009:					
Assets					
Cash and cash equivalents	2,430,257	-	-	-	2,430,257
Loans and notes receivable	2,931,099	-	197,904	320,127	3,449,130
Securities purchased under agreements to resell	1,418,184	36,971	-	-	1,455,155
Investment securities	44,011,052	28,754,533	2,207,603	21,287,674	96,260,862
Total interest bearing assets	50,790,592	28,791,504	2,405,507	21,607,801	103,595,404
Liabilities					
Notes payable	883,500	-	197,904	-	1,081,404
Loans payable	63,309	9,186,002	-	-	9,249,311
Securities sold under agreements to repurchase	65,040,668	18,474,021	6,595,498	811	90,110,998
Redeemable preference shares	2,690,085	-	-	-	2,690,085
Total interest bearing liabilities	68,677,562	27,660,023	6,793,402	811	103,131,798
Total interest sensitivity gap	(17,886,970)	1,131,481	(4,387,895)	21,606,990	463,606
Cumulative interest sensitivity gap	(17,886,970)	(16,755,489)	(21,143,384)	463,606	

Notes to the Financial Statements
31 March 2010
(Expressed in Jamaican dollars unless otherwise indicated)

30. Financial Risk Management (Continued)

(d) Market risk (continued)

(ii) Interest rate risk (continued)

	The Company				
	Within 3 Months $'000	**3 to 6 Months $'000**	**6 to 12 Months $'000**	**1 to 5 Years $'000**	**Total $'000**
At 31 March 2010:					
Assets					
Cash and cash equivalents	2,497,273	-	-	-	2,497,273
Loans and notes receivable	2,185,730	90,235	749,485	47,242	3,072,692
Securities purchased under agreements to resell	18,258,899	-	-	-	18,258,899
Investment securities	46,120,551	33,860,606	3,260,148	-	83,241,305
Total interest bearing assets	69,062,453	33,950,841	4,009,633	47,242	107,070,169
Liabilities					
Notes payable	561,110	-	-	-	561,110
Loans payable	-	7,043,932	-	-	7,043,932
Securities sold under agreements to repurchase	69,536,352	13,893,650	8,325,997	7,696	91,763,695
Redeemable preference shares	2,690,085	-	-	-	2,690,085
Total interest bearing liabilities	72,787,547	20,937,582	8,325,997	7,596	102,058,822
Total interest sensitivity gap	(3,725,094)	13,013,259	(4,316,364)	39,546	5,011,347
Cumulative interest sensitivity gap	(3,725,094)	9,288,165	4,971,801	5,011,347	

Notes to the Financial Statements

31 March 2010

(Expressed in Jamaican dollars unless otherwise indicated)

30. Financial Risk Management (Continued)

(d) Market risk (continued)

(ii) Interest rate risk (continued)

	The Company				
	Within 3 Months $'000	**3 to 6 Months $'000**	**6 to 12 Months $'000**	**1 to 5 Years $'000**	**Total $'000**
At 31 March 2009:					
Assets					
Cash and cash equivalents	1,553,488	-	-	-	1,553,488
Loans and notes receivable	2,931,099	-	-	-	2,931,099
Securities purchased under agreements to resell	19,513,129	36,971	-	-	19,550,100
Investment securities	43,953,984	28,754,039	2,207,603	702,345	75,617,971
Total assets	67,951,700	28,791,010	2,207,603	702,345	99,652,658
Liabilities					
Notes payable	883,500	-	-	-	883,500
Loans payable	63,309	9,186,002	-	-	9,249,311
Securities sold under agreements to repurchase	60,795,079	15,548,534	6,243,841	811	82,588,265
Redeemable preference shares	2,690,085	-	-	-	2,690,085
Total interest bearing liabilities	64,431,973	24,734,536	6,243,841	811	95,411,161
Total interest sensitivity gap	3,519,727	4,056,474	(4,036,238)	701,534	4,241,497
Cumulative interest sensitivity gap	3,519,727	7,576,201	3,539,963	4,241,497	

Notes to the Financial Statements

31 March 2010

(Expressed in Jamaican dollars unless otherwise indicated)

30. Financial Risk Management (Continued)

(d) Market risk (continued)

(ii) Interest rate risk (continued)

Interest rate sensitivity

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

The analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis was performed on the same basis for 2009.

	The Group			
	Effect on Profit 2010 $'000	Effect on Equity 2010 $'000	Effect on Profit 2009 $'000	Effect on Equity 2009 $'000
Change in basis points				
-200	1,193,413	3,023,977	1,512,336	1,822,192
200	(1,193,413)	(2,857,804)	(1,512,336)	(1,552,686)

	The Company			
	Effect on Profit 2010 $'000	Effect on Equity 2010 $'000	Effect on Profit 2009 $'000	Effect on Equity 2009 $'000
Change in basis points				
-200	1,193,413	2,302,213	1,114,316	1,703,236
200	(1,193,413)	(2,215,715)	(1,114,316)	(1,443,638)

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

(ii) Equity price risk

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

The Group's equity securities are listed on the Jamaica and Trinidad and Tobago Stock Exchange Markets. A 5% increase or decrease in quoted bid prices at the reporting date would result in an increase or decrease, respectively, in equity of $38,725,000 (2009: $31,362,000) for the Group and $36,407,000 (2009: $30,843,000) for the company.

Notes to the Financial Statements

31 March 2010

(Expressed in Jamaican dollars unless otherwise indicated)

30. Financial Risk Management (Continued))

(e) Operational risk

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

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

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

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

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

Notes to the Financial Statements

31 March 2010

(Expressed in Jamaican dollars unless otherwise indicated)

30. Financial Risk Management (Continued))

(f) Capital management

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

The objectives when managing capital, which is a broader concept than the 'equity' on the face of statement of financial position, are:

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

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

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

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

The FSC require each regulated entity to:

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

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

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

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

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

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

There have been no material changes in the Group's management of capital during the period,

The regulated companies within the Group are: Jamaica Money Market Brokers Limited (JMMB), JMMB Securities Limited (JMMBSL), JMMB Insurance Brokers Limited (JMMBIB) and JMMB BDI America (JMMBBDI).

The table below summarises the composition of regulatory capital and the ratios of the regulated companies within the Group for the years ended 31 March 2010 and 31 March 2009.

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31 March 2010

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30. Financial Risk Management (Continued)

(f) Capital management (continued)

	JMMB 2010 $'000	JMMB 2009 $'000	JMMBSL 2010 $'000	JMMBSL 2009 $'000	JMMBIB 2010 $'000	JMMBIB 2009 $'000
Tier 1 capital	9,636,832	8,210,107	99	69	13,000	15,000
Tier 2 capital	2,690,085	2,690,085	32	32	-	-
Total regulatory capital	12,326,917	10,900,192	131	101	13,000	15,000
Risk-weighted assets:						
On-balance sheet	12,668,553	11,275,978	176	169	-	-
Foreign exchange exposure	8,688,474	18,331,494	13	65	-	-
Total risk-weighted assets	21,357,027	29,607,472	189	234	-	-
Total regulatory capital to risk weighted assets	58%	37%	69%	43%	-	-
Actual capital base to risk weighted assets	45%	28%	69%	53%	-	-
Required capital base to risk weighted assets	14%	14.0%	10%	10%	-	-

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

(ii) Capital requirement for JMMB BDI America Puesto is RD$5 million plus other reserve which is 5% of liquid profits.

The individually regulated entities within the Group have complied with all externally imposed capital requirements throughout the year.

31. Fair Value of Financial Instruments

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Market price is used to determine fair value where an active market (such as a recognised stock exchange) exists as it is the best evidence of the fair value of a financial instrument. However, market prices are not available for a significant number of the financial assets and liabilities held and issued by the Group. Therefore, for financial instruments where no market price is available, the fair values presented have been estimated using present value or other estimation and valuation techniques based on market conditions existing at the reporting date.

The values derived from applying these techniques are significantly affected by the underlying assumptions used concerning both the amounts and timing of future cash flows and the discount rates. The following methods and assumptions have been used:

(i) Investment securities at fair value through profit or loss are measured at fair value by reference to quoted prices when available. If quoted market prices are not available, then fair values are estimated on the basis of pricing models, or discounted cash flows. Fair value is equal to the carrying amount of these items.

(ii) Investment securities classified as available-for-sale are measured at fair value by reference to quoted market prices or dealer quotes when available. If quoted market prices are not available, then fair values are based on pricing models or other recognised valuation techniques.

(iii) The fair value of variable rate financial instruments is assumed to approximate their carrying amounts.

(iv) Loans are net of provision for impairment. The estimated fair value of loans represents the discounted amount of estimated future cash flows expected to be received. Expected cash flows are discounted at current market rates to determine fair value.

(v) Equity securities for which fair values cannot be measured reliably are recognised at cost less impairment.

The following table provides an analysis of financial instruments that are measured in the balance sheet at fair value at 31 March 2010, grouped into Levels 1, 2 and 3 based on the degree to which the fair value is observable:

(i) Level 1: Fair values are quoted prices (unadjusted) in active markets for identical instruments;

(ii) Level 2: Fair value measurements are those derived from valuation techniques based on inputs other than quoted market prices included within level 1, that are observable for the instrument, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

(iii) Level 3: Fair value measurements are those derived from valuation techniques using significant inputs for the instrument that are not based on observable market data (unobservable inputs).

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31 March 2010

(Expressed in Jamaican dollars unless otherwise indicated)

31. Fair Value of Financial Instruments (Continued)

	The Group			
	Level 1	Level 2	Level 3	2010
	$'000	$'000	$'000	$'000
Available for sale securities				
Government of Jamaica securities	-	37,143,275	-	37,143,275
Sovereign bonds	-	5,012,759	-	5,012,759
Quoted securities	756,582	-	-	756,582
Units in unit trusts	-	163,440	-	163,440
Money market funds	-	268,401	-	268,401
Other	-	7,205	-	7,205
	756,582	42,595,080	-	43,351,662

	The Group			
	Level 1	Level 2	Level 3	2009
	$'000	$'000	$'000	$'000
Financial assets at fair value through profit or loss				
Government of Jamaica securities	-	1,215,956	-	1,215,956
Quoted securities	40,741	-	-	40,741
	40,741	1,215,956	-	1,256,697
Available for sale securities				
Government of Jamaica securities	-	27,278,026	-	27,278,026
Sovereign bonds	-	8,476,480	-	8,476,480
Quoted securities	606,455	-	-	606,455
Units in unit trusts	-	95,194	-	95,194
Money market funds	-	273,941	-	273,941
Other	-	36,875	-	36,875
	606,455	36,160,516	-	36,766,971
	647,196	37,376,472	-	38,023,668

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31 March 2010

(Expressed in Jamaican dollars unless otherwise indicated)

31. Fair Value of Financial Instruments (Continued)

	The Company			
	Level 1	Level 2	Level 3	2010
	$'000	$'000	$'000	$'000
Available-for-sale securities				
Government of Jamaica securities	-	33,458,838	-	33,458,838
Quoted securities	669,979	-	-	669,979
Units in unit trusts	-	163,440	-	163,440
Money market funds	-	268,401	-	268,401
	669,979	33,890,679	-	34,560,658

	The Company			
	Level 1	Level 2	Level 3	2009
	$'000	$'000	$'000	$'000
Financial assets at fair value through profit or loss				
Government of Jamaica securities	-	1,215,956	-	1,215,956
Available for sale securities				
Government of Jamaica securities	-	27,278,026	-	27,278,026
Quoted securities	606,455	-	-	606,455
Units in unit trusts	-	95,194	-	95,194
Money market funds	-	273,941	-	273,941
Other	-	36,875	-	36,875
	606,455	27,684,036	-	28,290,491
	606,455	28,899,992	-	29,506,447

31. Fair Value of Financial Instruments (Continued)

Reclassification of investment securities

Under IAS 39 (Amendment), which became effective 1 October 2008, the Group reclassified the following investment securities from available-for-sale to loans and receivables, as the market for these securities became inactive. The fair value at the reclassification date became the amortised cost of the newly reclassified loans and receivables. The table below shows the carrying value and the fair value of these securities at the reporting date based on discounted cash flow techniques.

	The Group			
	Carrying Value 2010	Fair Value 2010	Carrying Value 2009	Fair Value 2009
	$'000	$'000	$'000	$'000
Financial Assets				
Government of Jamaica securities	35,771,970	34,534,409	35,354,874	34,141,940
Sovereign bonds	9,924,801	9,483,008	5,637,106	5,270,519
Corporate and other bonds	7,696,947	7,891,435	13,256,117	11,735,064

	The Company			
	Carrying Value 2010	Fair Value 2010	Carrying Value 2009	Fair Value 2009
	$'000	$'000	$'000	$'000
Financial Assets				
Government of Jamaica securities	26,991,375	26,006,295	26,755,854	25,947,211
Sovereign bonds	5,783,683	5,496,475	5,637,106	5,270,519
Corporate and other bonds	7,696,947	7,891,435	8,745,197	7,788,671

Fair value losses of $1,128,418,000 (2009: $1,204,300) and $658,486,000 (2009: $712,352,000) exclusive of deferred tax, for the Group and company respectively were recognized in equity in relation to the above investments that were reclassified.

32. Post-employment Benefits

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

The Fund is administered by trustees and the assets are held separately from those of the Group, except for some of the assets which are included in funds being managed by the company (Note 33). Under the rules of the Fund, an actuarial valuation should be carried out by the appointed actuaries every three years. An actuarial valuation of the Fund was done as at 31 December 2008 by ACTMAN International Limited, independent actuaries. The valuation report dated 29 May 2009 revealed a funding surplus, a portion of which the trustees have decided will be allocated to the members' accounts.

The contributions for the year amounted to $31,367,000 (2009: $32,150,000) for the Group and $28,810,000 (2009: $30,361,000) for the company.

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

33. Managed Funds

The Group acts as agent and earns fees for managing clients' funds on a non-recourse basis under a management agreement. This includes some of the assets of the Group's pension scheme (Note 32). Although the Group is the custodian of the securities in which the clients participate, it has no legal or equitable right or interest in these securities. Accordingly, the securities in which the client's funds are invested have been excluded from these financial statements.

At 31 March 2010, for the Group and the company, funds managed in this way amounted to $15,315,000 (2009: $14,261,583,580) which includes pension scheme contributions (Note 32), inclusive of accrued interest, amounting to $69,193,128 (2009: $25,203,723) for the Group and the company. The financial statements included the following assets held in (liabilities payable to) the managed funds:

	The Group		The Company	
	2010	2009	2010	2009
	$'000	$'000	$'000	$'000
Other receivable				
Investments	268,401	273,941	268,401	273,941
Interest payable	(21,330)	(65,209)	(21,330)	(65,209)
Securities sold under agreements to repurchase	(8,469,254)	(7,264,559)	(8,469,254)	(7,264,559)

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34. Lease Commitments

Commitments under non-cancellable operating lease agreements, expiring between 2009 and 2011, amounted to $19,046,147 at 31 March 2010 (2009: $8,640,964). The lease rentals are payable within one year.

35. Contigent Liability

As indicated in Note 33, the Group's business includes managing funds on behalf of clients. The Commissioner, Taxpayer Audit and Assessment Department ("TAAD"), wrote to the company in 2005 advising that consideration received for this service is subject to General Consumption Tax ("GCT"). However, in common with other licensed securities dealers providing this type of service in Jamaica, the company has not charged or paid GCT on the consideration received for this service. Counsel for the Jamaica Securities Dealers Association has written to the TAAD giving reasons why the consideration concerned is not subject to GCT. Based on the foregoing, no provision has been made in this regard, as the amount of the liability, if any, in respect of the relevant periods ended on 31 March 2010 has not yet been determined.

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