



Dream. Focus. Achieve.



2011 ANNUAL
REPORT



NOVEMBER 1992 – MARCH 2011

The JMMB Group has established itself as the leading brokerage house in the Caribbean, now offering a wide range of investment solutions, banking and insurance services in Jamaica, Trinidad and Tobago and the Dominican Republic. Known for its pioneering spirit, the Group has consistently introduced new services to its extensive client base of over 160,000.

1992 The brainchild of the late Joan Duncan, JMMB opened in November as the first Money Market broker and dealer in Jamaica. With the support of Dr. Noel Lyon of Jamaica Venture Fund Ltd., Mrs. Duncan established JMMB with J\$16.5 million from four major institutions. Operating from a small office in downtown Kingston, the Company consisted of Mrs. Duncan and her daughter, Donna.

1993 In January, JMMB traded its first Corporate Paper and on May 13, the Jamaican Dollar Money Market Fund was established.

In this year the Company moved to the Island Life Centre in New Kingston.

1994 In March, the branch network began with the opening of an office in Montego Bay. JMMB was appointed an authorised primary dealer by the Bank of Jamaica and launched the island's first US Dollar denominated Money Market Fund.

1995 In September, the Portmore Branch was opened.

1996 With client operations at the Island Life Centre, JMMB relocated to its new headquarters at 6 Houghton Terrace to accommodate its rapid growth.

1997 On March 7, the Company traded J\$1 billion in debt securities in a single trading day.

1998 JMMB received the 'Entrepreneur of the Year' award from the Jamaica Chamber of Commerce (JCC) in March, under the leadership of Mrs. Joan Duncan.

On July 5, JMMB's founder and Managing Director, Joan Duncan passed away. Donna Duncan-Scott, her daughter who she had been grooming as the company grew and expanded, was appointed by the Board of Directors as the new Managing Director. Her son, Keith Duncan, who led the critical Trading Department, was appointed as Deputy Managing Director.

1999 In June, JMMB opened the Mandeville branch.

In line with its 2025 Vision, overseas expansion began, through a joint venture which established the Money Market in Trinidad and Tobago and Barbados.

2000 JMMB, under Donna Duncan-Scott's leadership, received the JCC top award, the 'Best of the Chamber'.

A Pound Sterling Money Market Fund was launched.

2001 In November, Caribbean Money Market Brokers (CMMB) Limited, a company owned by JMMB (45%) and CL Financial Limited (55%) was incorporated in the Republic of Trinidad and Tobago (T&T).

Two branches opened: in the Ocean Village Shopping Centre, Ocho Rios, and in Tropical Plaza, Kingston.

2002 In February, the new stock brokerage subsidiary, JMMB Securities Limited (JMMB SL), was launched, offering equities.

On March 7, the Company was registered as a Securities Company by the T&T Securities and Exchange Commission and approved for membership on the T&T Stock Exchange on April 9. CMMB Securities Limited began actively trading on the Stock Exchange on April 12.

Managing Director, Donna Duncan-Scott, was named the Jamaica Observer's 'Business Leader of the Year'.

JMMB was honoured as the JCC's 'Entrepreneur of the Year'.

2003 JMMB became a publicly listed company on the Jamaica Stock Exchange (JSE) in January.

In February, the Company surpassed the billion dollar profitability mark.

2004 Jamaica Select Index Fund (JSIF) was launched in February.

CMMB Barbados was officially opened in June.

In October, JMMB's Financial Planning Services (FPS) was rolled out and JMMB Insurance Brokers (JMMB IB) Limited opened its doors.

The May Pen branch opened in November.

2005 Keith Duncan took on the mantle of leadership as Group CEO and continued to execute and refine the strategic vision for the JMMB Group.

In January, JMMB was added to the JSE Select Index (15 most liquid blue- chip stocks).

In July, CMMB St. Lucia was opened.

Listing on the Barbados Stock Exchange occurred in November.

A joint venture with Intercommercial Bank Ltd. (IBL Group) was established in T&T.

2006 The Santa Cruz Branch was opened in April.

The Trinidad Select Index Fund (TSIF) began trading in Jamaica in July.

2007 In October, JMMB Puesto de Bolsa SA, the brokerage house in the Dominican Republic, opened as a result of a strategic decision to develop the Money Market in that thriving economy.

In November, a new suite of credit services was launched spanning home equity, motor car, general purpose and commercial loans.

In December, the first JMMB Preference Share offer was the largest oversubscription in Jamaica's financial history, 600% oversubscribed, raising J\$2.52 billion. These funds assisted in achieving critical growth initiatives.

2008 JMMB realized a significant return on investment from the sale of its minority equity holding in CMMB and exited Barbados.

2009 In April, the newly expanded Corporate Solutions Team in Jamaica was introduced.

In September, JMMB RS, an individual retirement solution ideal for SMEs and individuals in the Jamaican marketplace, was launched.

2010 In January, JMMB played a pivotal leadership role in the most far-reaching economic initiative, the Jamaica Debt Exchange (JDX) Programme.

2011 A new Preference Share issued in January was oversubscribed with total investments of J\$2.76 billion. Funds raised will be used to further strengthen the Company's local and regional presence.

In February, JMMB IB acquired the portfolio of City Insurance Brokers Limited.

In March, JMMB was honoured with the JCC's 'Best of the Chamber Award' in the 'Large Enterprise' Category.

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Form of Proxy





It's All
About
You!

"For thirteen years JMMB has provided me with sound financial plans and investment support. They have not just given me information and left me alone. I have received coaching on how best to operate my business and my Client Relations Officer has taken a personal interest in my financial affairs. These are the qualities that initially attracted me and have made me stay with the Company."

I have a great relationship with my Client Relations Officer and the rest of the team and over the years JMMB has allowed me to realize my dreams."

—Glenroy Lyle

Glenroy Lyle, owner of a grocery retail and wholesale business, considers himself a proud client of JMMB.

Your Best Interest At Heart



JMMB
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DREAM

It starts with a vision ... an idea of what you want for your future, whether you are our client, stockholder or a team member. The Dream – is the force multiplier that unleashes success within lives. JMMB was built on the solid foundation of the dream of its founder Joan Duncan, with the philosophy of recognizing "the power within" each of us and our ability to manifest our strengths for society's advancement.

FOCUS

The next step is finding the right partner, the one who will show you how to make your dream happen. Plans may change and the dream is re-shaped but your focus stays the same. We have your best interest at heart, and so we offer holistic solutions directly connected to your financial needs at every stage of your lifecycle.

ACHIEVE

JMMB has a dynamic and highly competent team ready to deliver on the objectives of our strategic plans for sustainable, profitable growth. Our diversified lines of business locally and regionally and commitment to client intimacy has allowed us to reap positive results – increasing revenues while managing costs towards maximization of stockholder returns.

DREAM

FOCUS

ACHIEVE



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Corporate Profile

BUSINESS OVERVIEW

Jamaica Money Market Brokers Limited (JMMB) is a licensed, full service, financial corporation that is regulated by the Financial Services Commission in Jamaica. The main activities of the companies of the JMMB Group are: investment offerings in local and international currencies; portfolio management; financial advisory services; cambio-trading foreign currencies; commercial banking; retail and commercial loans; corporate finance; equities; pension management, and general, life and health insurance brokerage. With an asset base of over J\$113 billion, as at March 31, 2011, JMMB is listed on the stock exchanges of Jamaica, Barbados and Trinidad and Tobago.

OUR MISSION

- To maximize client satisfaction through exceptional client care and world-class financial advice and expertise.
- To be a dynamic, international, multifaceted financial group that has a caring, loving and fun environment where team members are productive, creative, happy and fulfilled.

CLIENT BASE AND BRANCH NETWORK

The JMMB Group has established itself as one of the leading brokerage house in the Caribbean, successfully diversifying its business model across a wide array of investment offerings, banking and insurance in Jamaica, Trinidad & Tobago and the Dominican Republic. Known for its pioneering spirit, the Company has consistently introduced new financial solutions to its extensive client base now numbering over 160,000.

- In Jamaica, we serve our clients through an islandwide network of nine branches, dual currency Electronic Transaction Machines (ETMs) as well as 24/7 online access via our very own JMMB Moneyline.
- In the Dominican Republic, we started with our base in Santo Domingo and recently opened our second branch in Santiago this year.

In Trinidad & Tobago, we are growing our community-based banking model to a national bank, with a starting point from our branches in Port-au-Spain and Chaguaramas.

CORPORATE CITIZENSHIP

JMMB takes its role as a socially responsible corporate citizen very seriously; a guiding principle which has been in our DNA since inception. Hence, our structured programmes of Corporate Social Responsibility are delivered primarily through the Joan Duncan (JD) Foundation and localized community initiatives in the countries in which we operate.

LOCALIZED COMMUNITY INITIATIVES

Throughout the years, our branches have extended our Vision of Love and financial empowerment to communities across Jamaica, through their support of various initiatives in the areas of sports, health, education and general outreach. Most recently, our subsidiary and associate companies in the Dominican Republic and Trinidad & Tobago respectively, have followed a similar path in supporting similar initiatives in their countries.

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

Long-Term Results for Our Stockholders

Chairman's and Group CEO's Report

Keith Duncan, CFA
Group CEO

Noel A. Lyon, PhD
Chairman

We are pleased to present to you the Annual Report for the JMMB Group for the Financial Year ended March 31, 2011. The Group achieved an operating profit of \$1.51 billion and net profit of J\$1.14 billion, which represents a 15.9% increase in net profit compared to the previous year's result. Stockholder's equity increased from JA\$6.9 billion in the previous year to JA\$ 9.3 billion for FY ending March 31, 2011. A more in-depth analysis of our results is presented in our Management Discussion and Analysis.

The JMMB Group continues to maintain its presence in the region with the steady results from Intercommercial

Banking Group (IBL) in Trinidad and Tobago and the encouraging performance from our operations in the Dominican Republic (DR). The operations in the DR continue to grow with a client portfolio now standing at US\$76.15 million as at March 31, 2011, and comprising a strong base of retail and institutional clients, including banks, savings and loans associations, securities dealers and pension funds. We will continue to expand our strategy in both markets through targeted acquisitions, as well as taking advantage of business opportunities as they arise.

The performance of our business lines continues to show improved results, a positive effect of our *Diversification*

"The Group achieved an operating profit of \$1.51 billion and net profit of J\$1.14 billion, which represents a 15.9% increase in net profit compared to the previous year's result."

Strategy. Our Group results underscore the trend of consistent and increased quarterly and annual growth, despite the dynamic market environment both locally and regionally. This growth also reflects management's commitment to the fundamentals of improving efficiency, increasing revenue and maximizing shareholder return.

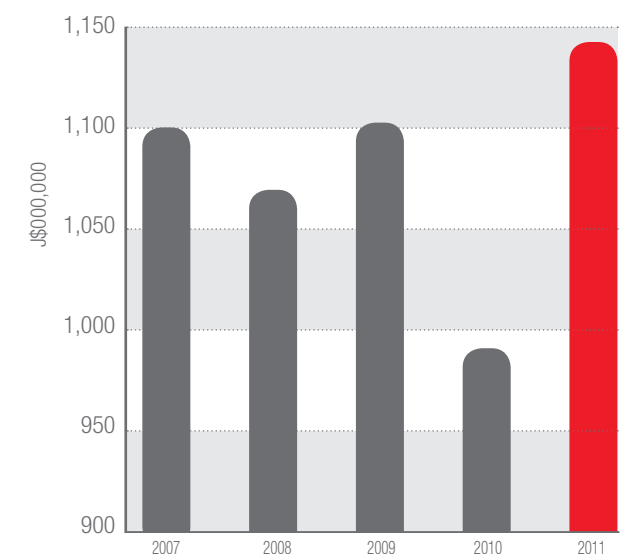
One key milestone during the period was the successful new Preference Share issue in Jamaica. We were delighted with an overwhelming response from our clients, resulting in the issue being **33% oversubscribed with a total investment of J\$2.76 billion**. This funding inflow will facilitate planned strategic investments.

The acquisition of the portfolio of City Insurance Brokers Limited through our subsidiary, JMMB Insurance Brokers Limited, was another key highlight in line with our strategic initiative to strengthen our Insurance arm. Further, we extended our reach by establishing an agency in the South Coast, where our clients can access most services that are regularly provided through our branches.

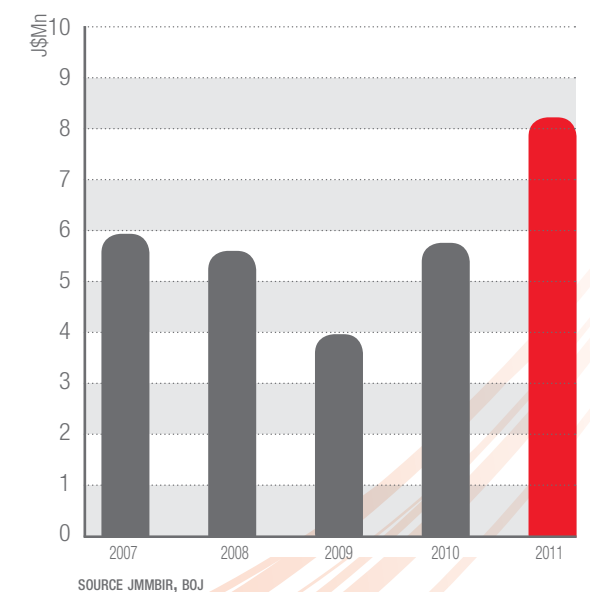
One truly pleasant surprise was JMMB being presented by the **Jamaica Chamber of Commerce with its 'Best of the Chamber' award in the 'Large Enterprise' category**. The award is intended to recognize the hard work, dedication, adaptability to changing economic environments and strength of the awardee.

Throughout the year we continued to deepen and cement our client intimacy strategies, which is at the forefront of our overall retail strategy. We continued to ensure that our business decisions and initiatives are prudent and in line with prudent risk management and good governance practices. The Board of Directors, along with management support, played a key role in overseeing this aspect of the business through its

Group Net Profit



Stockholders' Equity



Notice of Annual General Meeting

various sub-committees, insisting that only the highest standards and best practices are acceptable.

The JMMB Group furthered its commitment to Corporate Social Responsibility by supporting a range of national and localized initiatives in the countries in which we operate, aimed at community development, sports, health, education and social transformation. Two programmes which have been supported in significant ways in Jamaica, through financial and time contributions, are the Committee for the Upliftment of the Mentally Ill (CUMI) based in Montego Bay, Jamaica, and Youth Upliftment Through Employment (Y.U.T.E.). JMMB played a leadership role in establishing Y.U.T.E., a Private Sector Organisation of Jamaica (PSOJ)-led intervention, designed to foster 'inner city renewal' through employment and employability among unattached youth.

The work and contribution of our Directors throughout this financial year was vital and we thank them for their continued support. We also thank our management team for their expertise, commitment and dynamic responsiveness to the market environment which enabled us to deliver steady and strong results. To

all team members, we wish to express our gratitude for their superlative effort and commitment during another year of challenging and unpredictable market conditions.

And to our clients, we are indebted to you for your loyalty and support, and wish to reinforce our message to you: We have your best interest at heart.

The JMMB Group remains well-positioned to capitalize on growth opportunities in the local and regional markets and, in the longer term, to benefit from broad economic trends that hold attractive promise for the future. Expanding our product range and entering attractive new businesses are vital to our growth. As such, measures and strategies are being pursued to ensure that the Group's financial performance remains sustainable as we accelerate our growth aspirations.


Noel A. Lyon
GROUP CHAIRMAN


Keith P. Duncan
GROUP CHIEF EXECUTIVE OFFICER

BY THE BOOK: With the Preference Share 2011 listing completed, JMMB Deputy Board Chairman, Archibald Campbell captures the attention of Group Compliance Manager and Company Secretary, Carolyn DaCosta; CEO Keith Duncan and Marlene Street-Forrest, Jamaica Stock Exchange's, General Manager, as they examine the JSE's Rule Book.



NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be held at Jamaica Pegasus Hotel, Grand Jamaican Suite, 81 Knutsford Boulevard Kingston 5, Jamaica, on Wednesday September 14, 2011 at 10.00 A.M. for the purpose of transacting the following business, namely:

1. To receive the audited financial accounts for the twelve (12) months ended March 31, 2011.

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

"THAT the audited accounts for the twelve (12) months ended March 31, 2011, and the reports of the directors and auditors circulated with the notice convening the meeting be adopted."

2. To approve and ratify dividend payments.

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

"THAT the interim dividends of Eight (08) cents paid on December 21, 2010 and Ten (10) cents paid on June 28, 2011 making a total of Eighteen (18) 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. Retirement of Directors

The directors retiring from office by rotation pursuant to Article 105 of the company's Articles of Association are Dr. Noel Lyon, Mrs. Donna Duncan-Scott and Mr. Dennis Harris who, being eligible, offer themselves for re-election.

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

- (a) "THAT Dr. Noel Lyon be and is hereby re-elected a Director of the Company;"
- (b) "THAT Mrs. Donna Duncan-Scott be and is hereby re-elected a Director of the Company;" and
- (c) "THAT Mr. Dennis Harris 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 23 day of June 2011
By Order of the Board



Carolyn DaCosta
Secretary
REGISTERED OFFICE
6 Houghton Terrace
Kingston 10

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

Ten-Year Statistical Highlights

	Year ended 31 March 2011 (J\$'000)	Year ended 31 March 2010 (J\$'000)	Year ended 31 March 2009 (J\$'000)	Year ended 31 March 2008 (J\$'000)	Year ended 31 March 2007 (J\$'000)	Year ended 31 March 2006 (J\$'000)	Year ended 31 March 2005 (J\$'000)	13 months ended 31 March 2004 (J\$'000)	Year ended 31 March 2003 (J\$'000)	Year ended 31 March 2002 (J\$'000)
GROUP FINANCIAL DATA										
Total assets	113,019,058	122,975,370	111,193,465	102,415,766	89,618,957	81,880,170	63,889,888	61,215,631	48,945,993	39,022,166
Resale agreements	679,234	2,473,540	1,455,155	5,487,875	4,116,240	9,376,949	8,839,025	18,059,384	8,247,468	6,859,379
Investments	98,233,393	104,887,535	96,260,862	85,570,383	76,362,152	63,285,620	48,481,878	37,828,581	36,027,531	24,434,731
Other earning assets	6,762,857	7,283,426	5,879,387	5,586,956	5,451,464	5,276,891	3,021,790	3,400,938	2,164,638	1,854,618
Property, plant and equipment	991,427	1,007,805	1,075,741	966,017	747,940	685,153	432,193	326,996	298,216	160,895
Repurchase agreements	97,068,266	102,844,985	90,110,998	88,246,690	77,353,059	70,761,258	54,791,793	55,102,420	46,184,956	36,692,555
Stockholders' equity	9,345,166	6,860,229	5,326,814	6,644,413	7,166,896	7,198,449	5,800,961	4,012,109	1,861,536	1,174,011
Funds under management	101,539,626	122,876,617	110,184,670	111,757,466	88,631,247	79,414,404	63,982,494	63,833,807	52,268,700	41,494,600
Operating revenue net of interest expense	4,073,084	3,095,678	4,849,213	3,324,949	3,384,483	2,845,131	2,566,810	1,990,529	1,521,068	1,017,650
Operating expenses	2,585,949	2,109,128	2,455,567	2,177,396	1,708,729	1,496,190	1,206,293	1,001,663	834,320	487,672
Profit before tax	1,509,635	1,028,312	1,544,528	1,254,902	1,526,459	1,844,422	1,765,177	1,518,604	934,575	536,343
Net profit	1,142,930	986,378	1,102,622	1,061,610	1,098,603	1,590,430	1,648,481	1,547,155	1,038,252	548,956
Dividends paid	204,874	175,606	248,777	321,946	336,578	263,411	263,411	234,142	180,093	100,128
Profit retained (in respect of the financial year)	938,056	810,772	760,503	739,664	762,025	1,327,019	1,385,070	1,313,013	858,159	448,828
RATIOS										
Earnings per stock unit (cents)	76	67	75	73	75	109	113	106	71	38
Dividends per stock unit (cents)	14	12	17	22	23	18	18	16	12	7
Dividend payout ratio	17.9%	17.8%	22.6%	30.3%	30.6%	16.6%	15.9%	15.13%	17.35%	18.24%
Market Price per share (JSE closing price-J\$)	4.61	4.00	6.00	11.75	10.50	12.62	17.00	16.65	7.42	-
Price earnings ratio	6	6	8	16	14	12	15	16	10	-
Return on average equity	14.08%	16.15%	18.42%	15.37%	15.30%	24.47%	33.60%	52.68%	68.41%	58.60%
Return on average assets	0.97%	0.84%	1.03%	1.11%	1.28%	2.18%	2.64%	2.81%	2.36%	1.82%
Book value per stock unit (J\$)	6.39	4.71	3.64	4.55	4.90	4.92	3.96	2.74	1.27	0.80
Net interest margin	2.38%	1.66%	1.31%	1.59%	1.62%	1.71%	3.17%	2.43%	1.68%	1.50%
Efficiency ratio (Admin. exp/ Revenue)	63.08%	67.80%	49.70%	65.49%	50.52%	52.60%	47.00%	50.32%	54.85%	51.00%
OTHER DATA										
Exchange rate J\$ per US\$1.00	85.63	89.39	88.35	71.02	68.14	65.50	61.54	60.90	53.74	47.53
Inflation rate (year over year) (%)	7.80%	13.31%	12.40%	19.90%	6.60%	11.10%	12.40%	17.30%	5.70%	8.10%
Number of stock units at year end	1,463,386,752	1,463,386,752	1,463,386,752	1,463,386,752	1,463,386,752	1,463,386,752	1,463,386,752	1,463,386,752	1,463,386,752	1,463,386,752
Market capitalisation	6,746,212,927	5,853,547,008	8,780,320,512	17,194,794,336	15,365,560,896	18,467,940,810	24,877,574,784	24,365,389,421	10,858,329,700	-
Number of branches (Jamaica)	8	8	8	9	9	8	8	7	7	7

* Restated to conform with current year calculation.

Net Interest Income (NII)	2,519,042	1,902,515	1,353,378	1,535,213	1,392,123	1,333,656	1,911,519	1,438,935	781,761	498,287
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Corporate Information

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 HEADQUARTERS

6 Haughton Terrace

Kingston 10

Tel: (876) 920-5040-1

Fax: (876) 960-9546 or (876) 920-7281

Mondays – Fridays 8:30 a.m. – 4:00 p.m.

JMMB BRANCH LOCATIONS

Haughton Avenue Branch

5 Haughton Avenue

Kingston 10

Tel: (876) 920-5050

Fax: (876) 920-7281 or 998-9380

Mondays – Fridays 8:30 a.m. – 4:00 p.m.

Drive-thru: Mondays – Fridays 9:00 a.m. – 5:00 p.m.

Saturdays 10:00 a.m. – 2:00 p.m.

Portfolio Management Centre

6 Haughton Terrace

Kingston 10

Tel: (876) 920-5050

Fax: (876) 920-7281 or 998-9380

Mondays-Fridays. 8:30-4:00 p.m.

Knutsford Boulevard Branch

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.

Ocho Rios Branch

2 Milford Road

Ocho Rios, St. Ann

Tel: (876) 795-3651 or 795-3627

Fax: (876) 795-3886

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

Junction Agency

Shop 2, Roye's Plaza

Main Street, Junction

St. Elizabeth

Tel: (876) 965-8005

Tuesdays and Fridays 9:00 a.m. – 3:00 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 or 625-4450-2

Fax: (876) 625-2352

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

Montego Bay Branch

Suite 1- Fairview Office Park

Alice Eldemire Drive

Montego Bay, St. James

Tel: 876 979-6052 – 5

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\$)

Haughton Terrace

Knutsford Boulevard

Portmore

Montego Bay

Ocho Rios

Mandeville

Santa Cruz

ETM SERVICE

Constant Spring

May Pen

Email: info@jmmb.com

Website: www.jmmb.com

SUBSIDIARIES

JMMB SECURITIES LIMITED

6 Haughton Terrace

Kingston 10

Tel: (876) 920-5040-1 or 998-5662

Fax: (876) 960-8106

Mondays – Fridays 8:30 a.m. – 4:00p.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 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

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 Cuesta – Secretary

Fernando Baquero Ginebra – Treasurer

Roberto Jimenez Collie

Guillermo Arancibia – Country Manager

ASSOCIATED COMPANIES

INTERCOMMERCIAL BANK LIMITED

DSM Plaza, Old Southern Main Road

Chaguanas

Trinidad and Tobago

Tel: (868) 665-4425

Fax: (868) 665-6663

Website: www.ibltd.com

INTERCOMMERCIAL TRUST AND MERCHANT BANK LIMITED

Furness Building

90 Independence Square

Port-of-Spain, Trinidad and Tobago

Tel: (868) 627-3264 or 627-5068 or 623-0924

Fax: (868) 665-6663



Directors' Report

For the year ended 31 March 2011

The Directors are pleased to present their report for the year ended March 31, 2011. The report represents the results for Jamaica Money Market Brokers Limited and its subsidiaries (collectively referred to as 'the Group') and its interest in associated company.

GROUP RESULTS

- Operating revenue net of interest expense was J\$4.07 billion (2010: J\$3.10 billion).
- The profit before income tax was J\$1.51 billion (2010: J\$1.03 billion).
- The profit attributable to equity holders of the parent after income tax was J\$1.12 billion (2010: J\$983.16 million).
- Shareholders' equity was J\$9.34 billion (2010: J\$6.86 billion).

The Directors recommend that the interim dividends paid on December 21, 2010 and June 28, 2011 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 Dr. Noel Lyon, Mr. Dennis Harris and Mrs. Donna Duncan-Scott who, being eligible, offer themselves for re-election.

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

The Directors wish to thank the management and all team members of the Group for their performance during the year under review.

As always, we express deep and sincere appreciation to the clients for their continued support and partnership.

By Order of the Board



Carolyn DaCosta
Secretary
REGISTERED OFFICE
6 Houghton Terrace
Kingston 10

Proven Expertise
.....
Effective Corporate
Governance
.....



Board of Directors

FROM LEFT BACK

Rodger Braham || Donna Duncan-Scott GROUP EXECUTIVE DIRECTOR, CULTURE AND LEADERSHIP DEVELOPMENT || Dennis Harris || Wayne Sutherland

FROM LEFT FRONT

Dr. Anne Crick || V. Andrew Whyte || Carolyn DaCosta GROUP COMPLIANCE MANAGER || Archibald Campbell || Keith Duncan GROUP CEO || Dr. Noel Lyon CHAIRMAN

ABSENT

Hugh Duncan

“The JMMB Group continues on a sound path of delivering solid, sustainable growth in profitability and maximizing long-term value for our shareholders.”



Profiles of The Board of Directors

DR. NOEL A. LYON CHAIRMAN

Dr. Noel Lyon was appointed Chairman of the Board in 1992 and also currently chairs 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.

He has served on the boards of several private and public entities including the National Development Bank of Jamaica Ltd., Jamaica Venture Fund Ltd., Bank of Jamaica, Frome Monymusk Land Company, Jamaica Bauxite Mining Co. Ltd., Jamaica Stock Exchange, 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.

ARCHIBALD CAMPBELL DEPUTY CHAIRMAN

Archibald Campbell was appointed Deputy Chairman in 2004 and is Chairman of the Pension Trustees and the Risk, Credit and Audit and Finance subcommittees.

He read for both his Master and Bachelor of Science degrees in Accounting at the University of the West Indies (UWI). Archibald served as a faculty member at his alma mater and is the Chief Financial Officer/University Bursar with regional oversight.

He is currently the President of the Institute of Chartered Accountants and has served as an accounting expert in arbitration as well as a director of several companies.

KEITH DUNCAN GROUP CHIEF EXECUTIVE OFFICER

Keith Duncan joined JMMB as Trading Manager in 1993 and in 2000, became the Deputy Managing Director. In 2005, he was promoted to Group Chief Executive Officer and has responsibility for overall performance and charting the strategic direction of the Group.

As a strategic thinker and visionary leader, he has built one of the strongest trading teams in Jamaica. His financial expertise has not only benefited the JMMB

Group, but also the Jamaican financial sector. He is a former president of the Jamaica Securities Dealers' Association and was involved in the partnership with the Financial Services Commission (FSC) in designing and implementing new structures and models to enhance the effectiveness of Jamaica's market players.

Known for his commitment to youth development, Keith served as Chairman of the National Youth Service from 2003 to 2009 and worked closely with the respective boards and teams to fulfill the mission of creating and reforming Jamaica's youth to become purposeful citizens.

In continuing his service to Jamaica's youth, he joined efforts to design and implement the Youth Upliftment Through Employment programme (Y.U.T.E), a private sector-led initiative, and now serves as a board member of the Y.U.T.E. Programme. Keith holds a B.A. (Economics) from the University of Western Ontario in Canada and is a Chartered Financial Analyst.

DONNA DUNCAN-SCOTT GROUP EXECUTIVE DIRECTOR, CULTURE AND LEADERSHIP DEVELOPMENT

A true visionary and possibility thinker, Donna is guided by the philosophy that: "We were born to manifest the glory of God. It is not just in some of us, it is in every one of us." She is committed to sharing this fundamental truth in all aspects of her life.

In 1998, following the passing of Joan Duncan, she took on the mantle of Managing Director of JMMB, maintaining the company's premier position as the leader of Jamaica's Securities industry and, together with the team, established the largest brokerage house in the Caribbean. Donna received many accolades on behalf of the company, as well as on her merit. Most notably she was the first woman to be conferred with the Jamaica Observer's 'Business Leader of the Year' award in 2001. In 2005, Donna demitted the office of Managing Director to give more focus to raising her two daughters.

She subsequently assumed the position of Group Executive Director with responsibilities for Culture and Leadership Development. Currently, she leads the

design and development of programmes, practices and policies to deepen JMMB's unique culture which centres around having team members' and clients' best interest at heart. Her team also has overall responsibility for the welfare and development of all JMMB team members. Her mandate is to ensure that the Culture and Human Development Team understands the Team Members' strengths, goals and dreams, and to provide the relevant support for them to realise their full potential to the benefit of the individual, the organisation and the society.

Donna has a B.Sc. in Engineering, (UWI, St. Augustine), and an MBA from the Richard Ivey School of Business at the University of Western Ontario, Canada. She also holds the distinguished Chartered Financial Analyst accreditation.

RODGER BRAHAM

With over 30 years experience in commercial and development banking, with specialised experience in debt and organizational restructuring, Rodger was appointed to the Board in July 2008.

He sits on JMMB's Credit and Risk subcommittees, having assisted the Company in developing and operationalising its credit policy and procedures in 2007.

Rodger is also a director of the National Housing Trust and sits on the Finance Committee of Spectrum Management Authority. He is an approved mentor for companies listing on the Junior Stock Exchange.

He holds the Associate of Chartered Institute of Bankers designation from the Institute of Bankers of London, a Bachelor in Business Administration from the University of Technology, and he attended Harvard University where he participated in the Programme for Management Development.

DR. ANNE CRICK

Dr. Anne Crick, appointed to the Board in 2006, chairs the Human Resource subcommittee. 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 (UWI).

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 organisational culture and change.

She is a Senior Lecturer at UWI and a former Associate Dean and former Head of Department for the Centre of Hospitality and Tourism Management (Nassau) and Management Studies (Mona). She holds a Ph.D. in Organizational Management from Rutgers State University (2000) and a Master of Science degree (Hons.) from Pennsylvania State University, and a B.Sc. in Hotel Management (UWI).

CAROLYN DACOSTA COMPANY SECRETARY

Carolyn DaCosta, a Certified Information Systems Auditor, joined the Company in 1995 as a Supervisor in the branch network. She has subsequently held managerial positions including Manager for JMMB's flagship branch, Settlement Manager, Technical Operations and Compliance Manager.

In 2008, she was appointed the Group's Company Secretary with responsibility for the establishment, implementation and monitoring of the Company's compliance framework. In keeping with JMMB's commitment to effective corporate governance, she ensures the compliance of all relevant statutory and regulatory requirements, as well as the management of the internal audit process. She also oversees the proper appointment, induction and training of directors and executive management.

Carolyn holds an undergraduate degree from UWI and an MBA in Finance from Manchester Business School. She is also a Fellow Member of the International Compliance Association.

HUGH DUNCAN EXECUTIVE DIRECTOR, GROUP CHIEF EXECUTIVE OFFICER AND MANAGING DIRECTOR – IBL

Hugh Duncan, Group CEO and Managing Director of Intercommercial Bank Limited (IBL) has over 20 years experience in the energy and financial services sectors. Prior to joining the IBL Group, he was Director – Capital

Disclosure of Stockholdings

Markets at FirstCaribbean International Bank for the north Caribbean region.

He brings to the Group a wealth of knowledge, financial management expertise and valuable experience, having held senior positions at Citibank (Trinidad) from 1989 to 1998. His international postings include Manila, Philippines, where he served for five years as a senior executive member of Citibank's international staff. His career extends to include his tenure in the energy sector having worked with the Jamaica Bauxite Mining Company and subsequently Trinidad and Tobago Oil Company.

In addition, Hugh has served as Director of Capital Markets and Business Development at JMMB. He is also a Treasurer on the Board of the Bankers Association of Trinidad and Tobago. He holds an MBA from Concordia University and a Bachelor of Commerce degree from Montreal's George Williams University.

DENNIS L. HARRIS

Dennis Harris was appointed to the Board in January 2000 and sits on both the Human Resource and Audit and Finance subcommittees.

Dennis also serves as a Director on the Board of Unicomer (formerly Courts) Jamaica Limited and CGM Gallagher Group Limited.

He is a Certified Accountant and currently the Acting Managing Director for Courts Jamaica Ltd.'s operations in the Caribbean.

WAYNE SUTHERLAND

Wayne Sutherland is Managing Director of Jamaica Venture Fund Ltd., 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.

He was the Managing Director of Butterkist Limited and under his leadership that company won several major industry awards including the JEA Champion Exporter in 1992. Wayne also sat on boards of the ICD Group.

A former Director of the Jamaican Securities Commission, (now Financial Services Commission) Wayne is currently Chairman of Kencasa Construction & Project Management Limited and St Hugh's Preparatory School and sits on several other boards including Mapco Printers Limited. He is a former Captain of Kingston Cricket Club Senior Cup Team and member of Jamaica's Under 19 national cricket team.

He holds a Bachelor of Science from UWI (1986) and an MBA (1990) from the Columbia University Graduate School of Business.

V. ANDREW WHYTE

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 Plan.

He holds an MBA and a Bachelor of Science in Chemical Engineering.

STOCKHOLDINGS OF DIRECTORS AND CONNECTED PARTIES

Directors	Shareholding Ordinary	Connected Parties
Dr. Noel A. Lyon	NIL	
	44,775,196	Grace Lyn O.E. LTD
	46,261,146	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	19,454	
	59,965,366	Concise E.I. LTD
	48,681,216	JVF E.I. LTD
V. Andrew Whyte	NIL	
Wayne Sutherland	NIL	
	52,512,640	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	

STOCKHOLDINGS OF SENIOR MANAGEMENT

Management	Shareholding Ordinary	Connected Parties
Donna Duncan-Scott	ESOP	
	28,548	Alwyn Scott
	50,245,884	JVF O.N. LTD
	61,892,839	Concise O.N. LTD
Keith Duncan	19,454	
	59,965,366	Concise E.I. LTD
	48,681,216	JVF E.I. LTD
Cecile Cooper	ESOP	
Sheldon Powe	23,000	
Carolyn DaCosta	1,025,076	
Kisha Anderson	660,395	
Paul Gray	658,507	
Julian Mair	212,500	
Patrick Ellis	NIL	
Patricia Sutherland	ESOP	
	52,512,640	Concise R.I. LTD
	48,681,216	JVF R.I. LTD
Janet Patrick	ESOP	
Imani Duncan	ESOP	
Hugh Duncan	4,828	

STOCKHOLDERS AND STOCKHOLDINGS

CLICO Investment Bank Ltd
450,629,764

Trustees JMMB ESOP
180,027,557

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
52,512,640

JVF O.N. LTD
50,245,884

JVF E.I. LTD
48,681,216

JVF R.I. LTD.
48,681,216





It's All
About
You!

"When I started my investment portfolio with JMMB my main objective was to accumulate enough funds to pursue my MBA and purchase a car and property. So far, I have achieved two of my goals through financing offered by the Company and the appreciation of my investment. Everyone I have interacted with at JMMB has been friendly and helpful. My Client Relations Officer provides me with exceptional advice and assistance and it is obvious that his primary concern is my satisfaction.

I am impressed with the level of service and competence demonstrated by the team; they have surpassed my expectations."

—**Andrea Peart**

Payroll Supervisor
and proud client of JMMB.

Applied Knowledge Expertise

Jamaica's Macroeconomic Landscape



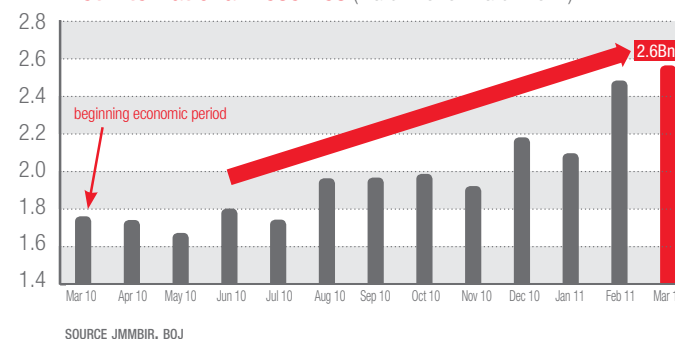
JMMB's Senior Economist and Sovereign Research Manager, Jermaine Burrell, presents at the PSQJ-JMMB Economic Forum 2010.

The 2010/11 fiscal year can be described as 'the calm after the storm'. Coming from a previously challenging macroeconomic environment the previous year, fiscal year 2010/11 saw smaller declines in economic activity, lower interest rates, declining inflation rates, strengthening of the Jamaican dollar and structural improvements. Confidence was bolstered by the presence of the International Money Fund (IMF) arrangement and strong multilateral support.

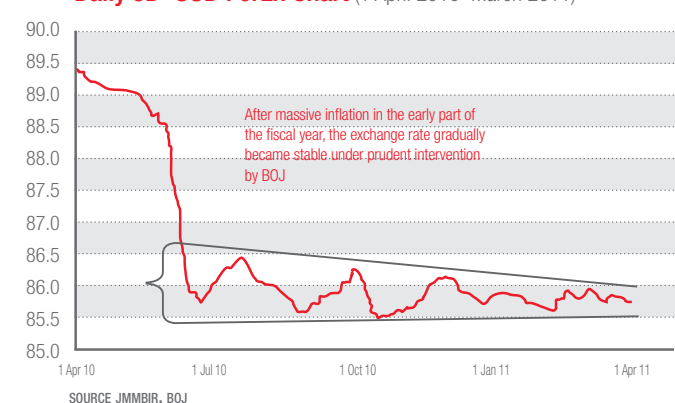
NET INTERNATIONAL RESERVES (NIR) – INCREASED TO ALL-TIME HIGH

Strong multilateral support, a decline in the current account deficit, and improved confidence in the Jamaican economy contributed to the Net International Reserves (NIR) ending the fiscal year (FY) at an all-time high. At the end of March 2011, the NIR stood at approximately US\$2.6B, and the gross reserves stood at US\$3.6B, representing 26.3 weeks of Goods and Services Imports. With confidence boosted by the IMF's endorsement of the Government's economic programme, multilateral lending agencies made available over US\$1B for the Government to embark on its economic programme. On account of weak demand from the local economy, the current account deficit declined. Latest data shows that the current account deficit declined by US\$35M over the period April, 2010 to December, 2010, relative to the same corresponding period last year. Remittance Inflows improved as indicated by the 6% growth registered over the period April 2010 to February 2011, relative to the corresponding period last year. Tourism also improved, as stopover arrivals grew 3% over the period April, 2010 to December, 2010 relative to a comparable period last year. With improved confidence, private capital intake also strengthened over the period.

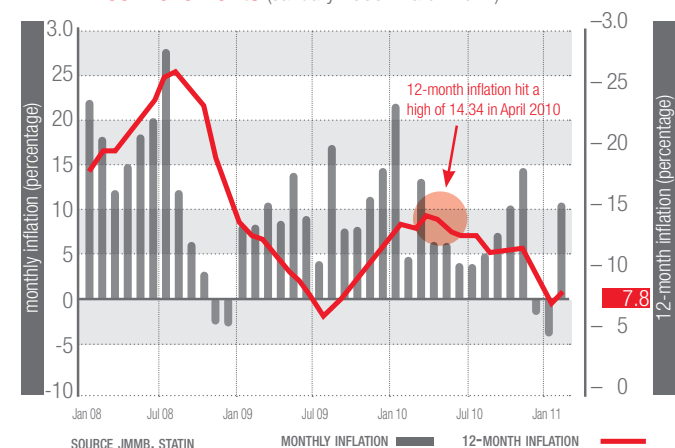
Net International Reserves (March 2010–March 2011)



Daily JD–USD ForEx Chart (1 April 2010–March 2011)



Price Movements (January 1998–March 2011)



After achieving stability in the previous fiscal year, the 2010/11 fiscal year saw the currency appreciating by approximately 4.6%, with most of the appreciation coming early in the fiscal year. This appreciation is in sharp contrast to the historical norm, consisting of

three to five per cent depreciation per annum. As the fiscal year draws to a close however, the volatility in the exchange rate gradually declined.

EXCHANGE RATE AND NIR OUTLOOK

The value of the Jamaican dollar could potentially remain stable for fiscal year 2011/12. The Government has budgeted for US\$500M in multilateral support which could help in strengthening the NIR and provide enough foreign currency resources for the Bank of Jamaica (BOJ) to maintain a presence in the foreign exchange market. Alumina/bauxite production will improve upon the reopening of WINDALCO's Kirkvine operations. Foreign direct investment is anticipated to post some recovery primarily in the tourism sector.

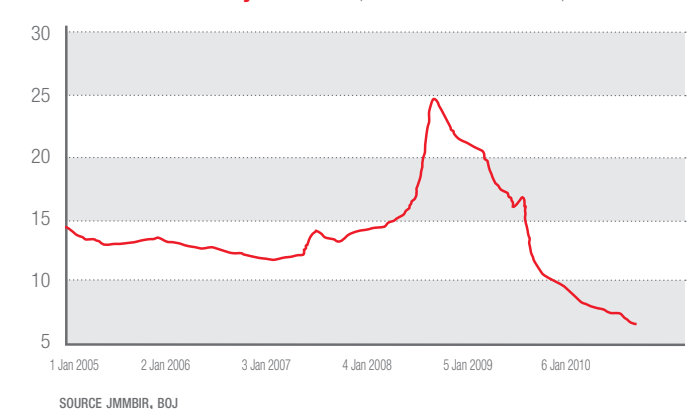
INFLATION MODERATED TO 7.8 PER CENT

The 12-month inflation rate peaked at 14.34% in the first month of the fiscal year. Thereafter, inflation rates headed south on the back of a slowdown in the pace of commodity prices increase, an appreciating Jamaican dollar and general weak local demand. Acceleration in global economic activity, geopolitical tensions, and supply shortages brought on by adverse weather conditions globally, lead to increasing international commodity prices in the latter half of the fiscal year. However, a glut in the market for vegetables and starchy foods caused a substantial decline in the heaviest weighted component of the inflation basket. Consequently, inflation ended the year in single digits.

INFLATION OUTLOOK

In our view, the excess supply of vegetables and starchy foods could potentially dissipate in the near term. As such, the declining inflationary pressures arising from the recent glut on the agriculture market could gradually dissipate. Furthermore, imported inflation has been intensifying, spurred by aggressive increases in the price of corn, wheat and oil. It is the general view, provided that the global recovery remains undisturbed, that international commodity price pressures could last for the remainder of the 2011 calendar year. Within this context, and further currency stability, inflationary pressures could strengthen as we approach the end of the 2011 calendar year.

6-Months Treasury Bill Yield (Jan 2008 – March 2011)

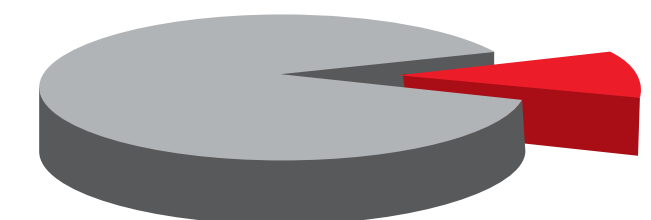


Monetary Policy Rate (MPR) Actions (30 Certificate of Deposits)

	New Rate	Basic Points CHG
Previous Rates	10.00	
Current Rates	6.75	-3.25

SOURCE JMMBIR, BOJ

Number of Members



Total members in plans as at 30 June 2010 (FSC data): 75,202

Retirement Schemes Superannuation Funds

BOJ SLASHED RATES, BENCHMARK INTEREST RATES SLID TO AN ALL-TIME LOW

At the start of the fiscal year, the BOJ's key monetary policy rate stood at approximately 10%. Since then, the BOJ slashed interest rates on seven consecutive occasions, reducing the rate applicable to its 1-month certificate of deposits from 10% to 6.75%. Benchmark interest rates (6-month Treasury Bills) slid from a previous low of 9.97% in April 2010 to an unprecedented low of 6.63% in March 2010.



The reduction in interest rates came within the context of a significant improvement in confidence, the level of Jamaican dollar liquidity in the system, reduction in inflation rates, appreciation in the value of the Jamaican dollar and continued improvement in the fiscal profile. Fiscal authorities have demonstrated their resolve in keeping a tight grip on Government expenditure. At the end of the fiscal year, the Government surpassed its Fiscal Deficit target of 6.5%, by 0.4 percentage points of Gross Domestic Product (GDP). On the back of a strengthening balance of payment profile, the value of the Jamaican dollar strengthened by approximately 4.6%. Monetary and fiscal authorities passed three consecutive rounds of IMF tests, which bolstered confidence in the maintenance of macroeconomic stability.

FISCAL OUT-TURN POSITIVE

On account of prudent fiscal management, the fiscal out-turn for the fiscal year ended March 2011 was positive. The Fiscal Deficit for fiscal year 2010/11 amounted to approximately J\$75.4B (6.1% of GDP), which was J\$5.5B better than the originally budgeted figure given in April (6.5%). The Primary Balance (the Fiscal Deficit excluding Interest Expense) amounted to approximately J\$53.3B, which was lower than budgeted by approximately J\$7.9B. Aided by the relatively strong performance of the fiscal account, the nation also passed 3 consecutive rounds of the IMF’s quantitative performance assessment. However, under the fifth IMF review, the nation failed to meet the adjusted Primary Balance target.

The generally positive out-turn for fiscal year 2010/11 was driven primarily by strong reductions in Recurrent and Capital Expenditure, which were offset somewhat by less than impressive Tax Revenue and Grant inflows. Recurrent Expenditure declined by approximately J\$9.6B compared to budget, because of significant savings accruing from Interest Expenditure (J\$13.4B). Capital Expenditure was slashed by approximately J\$7.6B relative to budget. Tax Revenues came in less than budgeted, growing 5.3% relative to a budgeted growth of 8.2%. The Grants account also came in less than expected, contracting by approximately J\$5.5B relative to budget.

THE 2011/12 BUDGET

The 2011/12 Budget is a tight one, but is credible in our opinion. The Budget is premised on a Tax Revenue

growth of 10.2%, which includes an extraordinary one-off payment of J\$5.2B which represents repayment of tax arrears by Air Jamaica and the Sugar Corporation of Jamaica. Normalising the tax revenue growth projection for the extraordinary one-off payment yields a tax revenue growth of 8.2%. Within a context of inflation projections of 7% or greater by the end of the fiscal year, and real GDP growth projected at 1.5%, achieving a tax revenue growth of 8.2% is not unrealistic. Furthermore, if the phased reduction in the granting of discretionary waivers takes place, the revenue intake could be stronger, especially as international trade recovers.

The nature of expenditure for this fiscal year could provide some maneuverability to the Government. Over J\$2.7B is budgeted for contingencies, which includes possible increases in electricity cost and disasters from tropical storms and hurricanes. Furthermore, the possibility of negative fiscal surprises from the impact of adverse weather will be mitigated by the US\$220M which is still available to fix damages to the road network under the JDIP programme. Interest Expenditure at J\$131B is marginally lower than our projection of J\$134B, which underscores consistent assumptions about the future stability of the local economy. We believe, that with the IMF programme extended for another 24 months, confidence will be maintained in the domestic economy even during general elections.

The Government has thus far demonstrated their resolve in maintaining fiscal discipline. For the fiscal year ended, the Government managed to beat the fiscal deficit target by approximately 0.4 percentage points of GDP, which is markedly better than many developed countries. The 4.6% of GDP fiscal deficit target for this fiscal year, represents a step in the right direction, and certainly makes it easier for the Government to bring the debt to GDP ratio to more sustainable levels.

CREDIT RATINGS (B-/STABLE/B-)

In December 2010, Standards and Poor reaffirmed the B-/Stable/B- ratings assigned to the nation after the implementation of the Jamaica Debt Exchange (JDX) programme in February 2010. Given the nation’s still-high public debt levels, and implementation risks associated with a medium-term economic programme, vulnerabilities remain high. Over the near term, rating agencies will closely monitor the nation’s ability to strengthen the primary surplus, and present a credible

medium-term growth strategy, in order to assess whether public debt dynamics will enter into a virtuous cycle.

OUTLOOK FOR CREDIT RATING

We believe that the probability of a positive rating event in the near term remains low, however within the context of continued fiscal strengthening, the outlook could potentially move from stable to positive. Should there be setbacks in the necessary fiscal adjustments, and an incredible medium term growth strategy put forward, the nation’s still-fragile macroeconomic equilibrium could be tested and further downgrading could take place.

ECONOMIC GROWTH WEAK

Recent estimates of economic output reveal that the rate of economic decline has been slowing. For fiscal year 2010/11, the Jamaican economy is estimated to have declined by 0.7%, following two consecutive fiscal years of contraction in the region of 1.5 to 3%. The tempering of economic contractions was driven primarily by ameliorated international economic conditions, which facilitated a modest improvement in remittance inflows to Jamaica and resuscitated aspects of the nation’s bauxite and alumina industry.

Robust growth was recorded for the mining and quarrying sector. The industry is estimated to have expanded by 22.2% in FY 2010/11, following a significant decline of 54.7% in the previous fiscal year. Increased world demand for aluminium led to subsequent revitalisation

Central Government Operations						
ITEMS	J\$ MN	BUDGET FY 2010/11	ACTUAL FY 2010/11	DEVIATION	% DEVIATION	BUDGET FY 2011/12
Revenue + Grants		326,300.00	314,558.50	(11,741.5)	-3.6%	350,749.37
Tax Revenue		287,200.00	279,874.20	(7,325.8)	-2.6%	308,421.37
Non-Tax		20,100.00	20,473.90	373.9	1.9%	18,079.80
Bauxite Levy		700.00	421.10	(278.9)	-39.8%	1,786.10
Capital		2,700.00	3,664.50	964.5	35.7%	9,182.40
Grants		15,600.00	10,124.80	(5,475.2)	-35.1%	13,279.70
Expenditure + Amortization		503,940.20	490,925.50	(13,014.7)	-2.6%	544,721.33
Expenditure		407,105.96	388,768.00	(18,338.0)	-4.5%	412,461.90
Recurrent Expenditure		344,229.61	333,173.90	(11,055.7)	-3.2%	352,046.50
Programmes		74,388.76	76,862.50	2,473.7	3.3%	87,215.10
Wages & Salaries		127,754.10	127,956.70	202.6	0.2%	133,747.50
Interest		142,086.75	128,354.70	(13,732.1)	-9.7%	131,083.90
Capital Expenditure		62,876.35	55,594.10	(7,282.2)	-11.6%	60,415.40
Fiscal Deficit		(80,805.96)	(74,209.50)	6,596.5	-8.2%	(61,712.53)
Primary Balance		83,280.79	54,145.20	(29,135.6)	-35.0%	69,371.37
Fiscal Deficit/GDP		-6.5%	-6.1%	0.4%	-5.4%	4.6%
Primary Balance/GDP		7.0%	4.4%	-2.6%	-37.8%	5.2%
Amortization		96,834.25	102,157.50	5,323.3	5.5%	132,259.43
Domestic		69,837.01	79,393.50	9,556.5	13.7%	66,228.45
External		26,997.24	22,764.00	(4,233.2)	-15.7%	66,030.98
Overall Deficit		(177,640.20)	(176,367.00)	1,273.2	-1%	(193,971.96)
Borrowing Requirement		176,300.00	212,968.90	36,668.9	21%	140,800.00
Domestic		118,000.00	122,478.70	4,478.7	4%	97,000.00
External		58,300.00	90,490.20	32,190.2	55%	43,800.00

Source:JMMBIR, MOF;

of operations within Jamaica’s bauxite and alumina industries (Noranda & WINDALCO operations).

The hotel and restaurants sector is estimated to have grown by 2.8% in FY2010/11 compared with an expansion of 4.1% in FY2009/10. The lower growth in FY2010/11 was partially due to the cancellation of flights from Europe because of volcanic ash clouds, as well as the negative travel advisories following the disturbances in West Kingston. The tourism industry, however, benefited from increased airlift to the island and aggressive promotions by the Government and industry players, as well as expanded room capacity. Additionally, below-normal winter temperatures in Jamaica’s main tourist markets also aided tourist arrivals.

Despite reduced performance in the third quarter due to Tropical Storm Nicole, the agriculture sector rebounded in the March quarter, with domestic agriculture growing by 24%. The Production and Productivity Programme of the Ministry of Agriculture, through best practices, have helped farmers to mitigate the effects of the unfavourable weather conditions, which affected crop establishments and yields throughout the year. The sector is now poised for growth as demand for agroprocessing is now improving and more viable connections are being formed between farmers and the hospitality sector.

The financial sector faced headwinds during the course of the fiscal year because of a decline in interest rates, increased non-performing loans, and a general weakness in economic activity. Going forward, there could potentially be structural changes within the sector, in a bid to adjust business models to the changing macroeconomic times and the regulatory environment.




EQUITY MARKETS

For the financial year ended March 31, 2011, the traditional Jamaica Stock Exchange (JSE) indices recorded lacklustre performance despite the lower interest rate environment that was occasioned with the JDX in February 2010. Total trading volumes declined by approximately 41% reflecting investors’ lack of optimism of the prospects of these traditional companies. The Main JSE Index advanced by a mere 0.61% while the All Jamaica Index recorded a decline of 0.70%.

Given the lack of optimism with the traditional companies, investors turned their attention to the JSE Junior market in search of new and different opportunities. By the end of 2010, there were a total of seven listings with all new listings being significantly oversubscribed at the initial offering. Market capitalisation for this market since inception has moved from \$755.18M at December 2009 to \$8,142.9M at current levels.

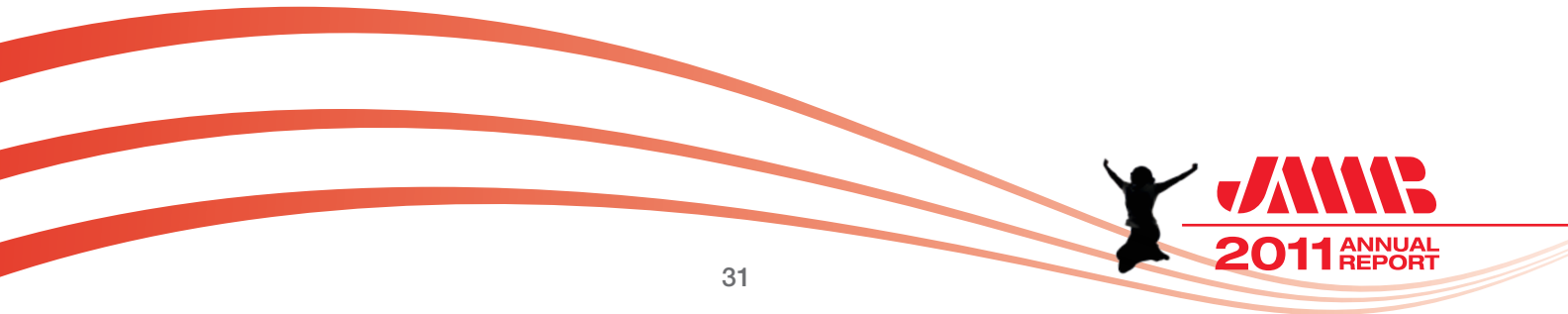
The regional stock market indices all registered moderate advances for the review period except for the Barbados Stock Exchange Composite index which declined by 3.28%. Like Jamaica, the regional equities markets have registered a significantly lower level of activity, which was characteristic of lower expectations for growth.

For the financial year ahead, the JSE Junior Market is expected to dominate equity activity in the domestic markets. The performance of the regional stock market should be boosted by a recovery in global economic activity.

	31 MARCH 2010 LEVEL	31 MARCH 2011 LEVEL	CHANGE	% CHANGE
 JAMAICA				
JSE Main Index	86,010.60	86,532.02	521.42	0.61%
All Jamaica Composite Index	82,367.46	81,813.36	(574.10)	-0.70%
JSE Junior Market Index	155.42	365.41	209.99	135.11%
 TRINIDAD				
All TT Index	1,165.48	1,234.65	209.99	35.7%
TTSE Composite Index	817.72	872.08	54.36	6.65%
 BARBADOS				
BSE Local Index	3,128.66	3,358.59	229.93	7.35%
BSE Composite	760.57	735.60	(24.97)	-3.28%



Winning Solutions
Know-How
Growth



Management's Discussion and Analysis

The JMMB Group continues on a sound path of delivering solid, sustainable growth in profitability and maximizing long-term value for our shareholders. For the 2010/11 financial year, we are pleased to report Operating Profit of \$1.51 billion, a 51.0% increase and Net Profit of \$1.14 billion, a 15.87% increase over the prior year's result, clear indicators that the business operations generated strong results.

This is the highest percentage increase in profitability since 2004 and the highest net profit recorded since financial year 2006. This creditable performance was achieved despite unprecedented declines in interest rates in Jamaica which resulted in an overall contraction in interest margins for many industry players.

Looking ahead, over the medium term, we anticipate continued changes in the macroeconomic landscape, locally and regionally. As such, the JMMB Group intends to deliver increased profitability, growth in market share and business diversification across the region with the following strategies for 2011–14:

- Local diversification of the business model in Jamaica (sale of complementary financial products and services) to reduce concentration and dependence on the securities business line (specifically Net Interest Income);
- Regional expansion across the Caribbean and Central America;
- Building out Banking services and offering clients an enhanced value proposition across the region.

Keith Duncan, CFA
GROUP CEO

With our drive towards these medium-term goals, our strategic initiatives for the 2010/11 financial year are focused on:

- Building stronger relationships with our existing large and diverse client base; gaining deeper insight into their needs and providing holistic and innovative solutions using our Group products and services;
- Increasing market share across all business lines, by attracting new clients and growing core revenues from our less mature business lines thereby reducing our reliance on Net Interest Income (NII). For the past financial year for example, we increased our market share in the insurance business through the acquisition of the City Insurance's Portfolio;
- Deepening our presence in the secondary market in the Dominican Republic through our repurchase agreement (repo) product, thereby meeting the investment needs of institutional and high-net worth client segments; and
- Improving Group operational efficiency by growing revenues at a faster pace than expenses; we efficiently managed our costs and optimized processes where possible.

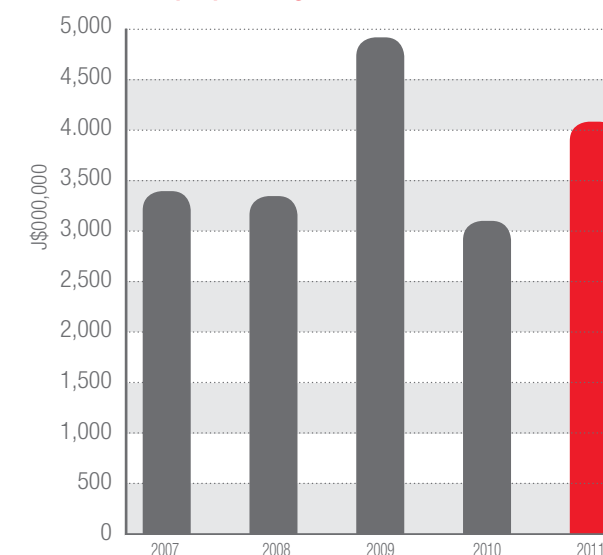
The execution of these initiatives has yielded tremendous success for the JMMB Group and provides the platform for long-term sustainable growth and further expansion locally and regionally.

FINANCIAL PERFORMANCE

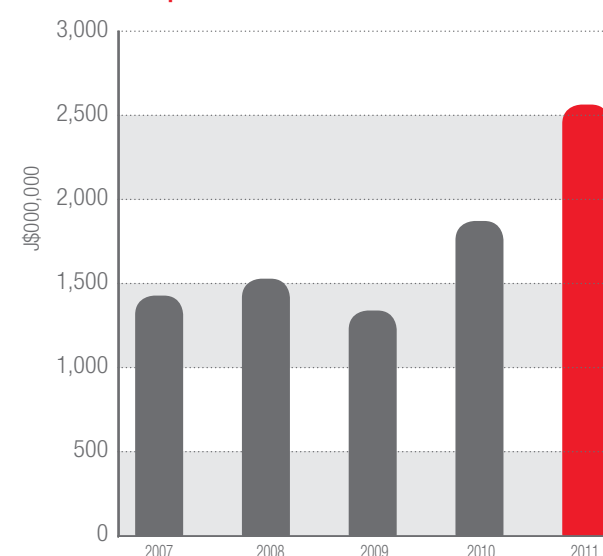
Total Operating Revenue increased by \$977.41 million to \$4.07 billion, a 31.57% increase compared to the prior year. This record achievement represents the highest operating revenue in the Group's history, surpassed only by the performance of the 2008/9 financial year, which was characterized by significant extraordinary income. For the financial year in review, there were significant increases in all revenue lines with the exception of fees from managed funds, which showed a slight decline over the previous financial year.

Net Interest Income (NII) increased by 32% from J\$1.92 billion to J\$2.5 billion. While Interest Income from securities declined significantly due to the Government of Jamaica's new policy directive of reduced interest rates, interest expense was also reduced at a greater rate supported by our active liability management, contributing to the increased NII. Given the forecast for interest rates, we will continue to diversify our income streams, thereby reducing our reliance on this revenue line.

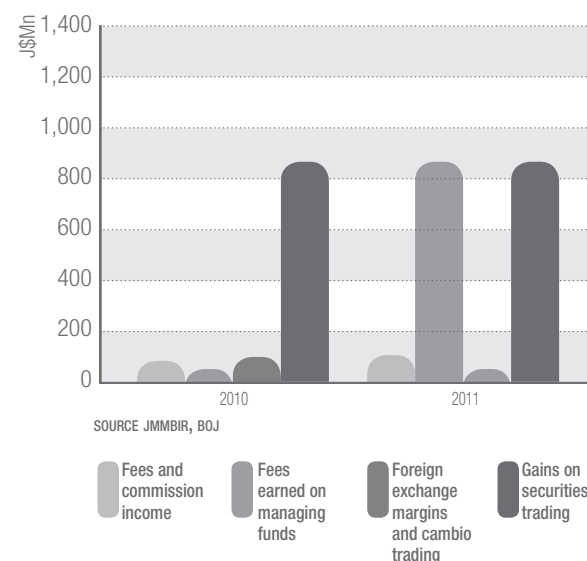
Group Operating Revenue



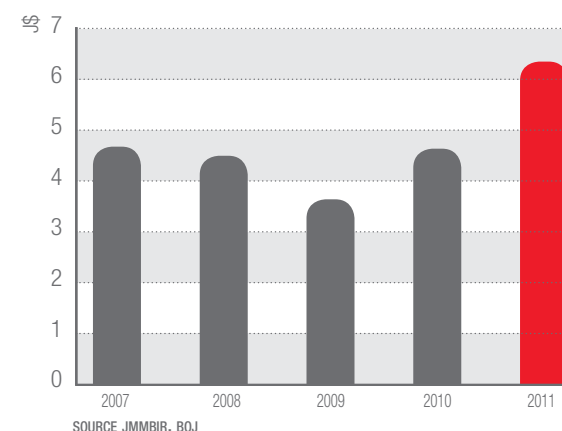
Group Net Interest Income



Breakdown of Other Income



Book Value Per Stock Unit



OTHER INCOME

Revenues external to NII contributed \$1.55 billion to total operating revenues, a 30.25% increase over the previous financial year. Gain on securities trading was the main contributor and accounted for 79.3% (\$1.23bn) of total other income. With the decline in interest rates, investors sought higher returns from the bond market and JMMB, being the largest broker dealer, was strategically positioned to fulfill their needs. The increased volumes in bond trading resulted in a 28% growth in gains on securities trading from \$961 million to over \$1.2 billion. There were also increased contributions from cambio margins and other fees and

commissions, with increases of 46.5% (to \$156 million) and 55% (to \$114 million) respectively.

Administrative Expenses increased by 22.61% from \$2.11 billion to \$2.59 billion. This increase was mainly attributable to an incentive paid to staff in the third quarter for their continued commitment to excellence and a one-off cost relating to professional fees from capital market transactions. However, despite this increase in expenses, our efficiency ratio (administrative costs as a percentage of operating revenue) improved from 67.80% to 63.49% when compared to the previous financial year and shows management's commitment to tightly manage the Group's efficiency.

REGULATORY REQUIREMENT

The Company continues to exceed its regulatory capital requirements. Its capital to risk-weighted assets ratio stood at 39.38% whereas the Financial Services Commission (FSC) benchmark stipulates a minimum of 10%. The company's capital to total assets ratio was 13.7% whereas the FSC benchmark is 6%.

The **JMMB Group Asset base** was reduced by 8.10% to \$113.02 billion due mainly to the strategic decision to realize gains from the investment portfolio and utilize proceeds and other maturities to liquidate high yielding debts. A significant increase in profitability with a smaller balance sheet also indicates a more efficient use of resources. Consequently, **Return on Assets (ROA)** increased from 0.84% to 0.97%.

It is important to note that the **Group's Book Value** per stock unit showed a significant increase over the previous financial year and is the highest since the company listed on the Jamaica Stock Exchange (JSE) in 2003. Book value per share of common stock came in at J\$ J\$6.43 up from J\$4.71 in 2010/11. The stock's closing price on the JSE as at the end of the financial year stood at J\$4.61, indicating significant value for stockholders.

Stockholders' Equity also registered a record increase over the previous financial year. As at March 31, 2011, Stockholders' Equity stood at \$9.35 billion, the highest in the Group's history and shows a 35.62% growth over the previous year's results. This solid capital base reflects the Group's strength and is a critical ingredient for continued sustainable growth.

STOCKHOLDER RETURNS

Our policy is to increase dividends in line with the trend in earnings, while ensuring that adequate capital is available to meet regulatory requirements and to expand our reach locally and regionally. In keeping with this policy, total dividend payments for the financial year increased by 16.67% to \$204.87 million compared to \$175.61 million in the previous financial year. Our solid performance continues to drive positive stockholder returns and we remain committed to achieving long-term earnings growth and increased returns to our stockholders.

PERFORMANCE OF BUSINESS LINES, SUBSIDIARIES AND ASSOCIATE COMPANY AND STRATEGIC DIRECTION FOR 2011/12

JMMB JAMAICA

In light of the reduced interest rate environment, we anticipate that active portfolio management will become a more important value proposition in our offerings. As such, we anticipate moderate growth in our funds under management as we reallocate client assets across the investment universe in keeping with their objectives and risk tolerance. Accordingly, a new key performance indicator will be the 'total value of client portfolios managed' including on-balance sheet (FUM), off-balance sheet (managed funds) as well as the value of client trading activity (sovereign and corporate bonds and equities). Though not reported, we see this portfolio shift beginning in the performance of our asset management business line in 2010/11.

Asset Management Business Line

The Jamaican Government's successful execution of the Jamaica Debt Exchange Programme (JDX) brought positives to the Jamaican economy. The JA\$ denominated bonds benefited from the improved fiscal profile and outlook with the yield change being much more dramatic than the US\$ global curve. The average change in yield for bonds with a tenor of nine years and under was in excess of 340-basis points. Through active client portfolio management across the retail network, many clients were migrated to instruments such as bonds and our new Preference Share Issue, which yielded significantly higher returns when compared to the returns on repo products. Accordingly, retail client funds under management remained flat



DELIVERING OPPORTUNITIES: A focused Keith Duncan, JMMB's Group CEO, speaks to the media about the 2011 Preference Share offer. Beside him is Imani Duncan, Group Marketing Manager.

over the previous financial year. There was, however, 20.55% growth in our corporate FUM as our strategy to attract the Small and Medium-sized Enterprise (SME) client segment proved fruitful. Despite this growth, yet in line with our growth in Total Client Assets strategy, our overall FUM declined marginally by 4.9% year-on-year. The net revenue impact on JMMB was positive, however, as the increased revenue from bond market activity and active management of the cost of liabilities more than compensated for the decline in liabilities.

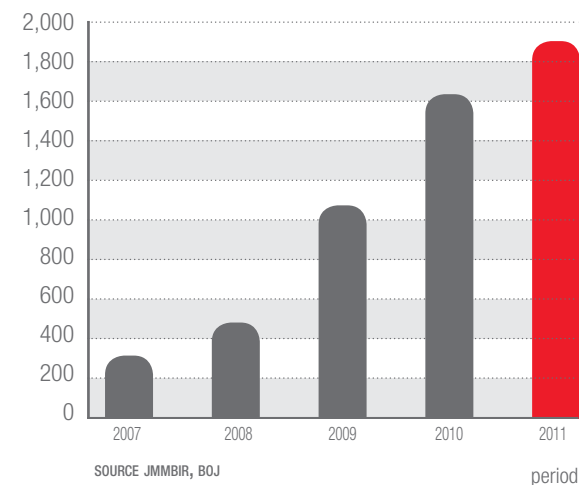
For the 2011/12 we expect interest rates to stabilize. As such, we will:

- Continue to aggressively package and offer portfolio management services to retail and corporate clients;
- Place greater emphasis on collective investment schemes such as Unit Trusts and other off-balance sheet products as part of the overall investment offerings;
- Build our Retail FUM through the launch of our Serious Savers campaign which allows targeted client segments to achieve their savings goals faster and earn higher rates of return by investing their savings; and
- We will also continue to penetrate the SME market segment and develop comprehensive solutions using group products to meet their financial needs.

Client Funding – Preference Shares

On December 14, 2010 Tranches 1 and 2 of the 2007 Preference Shares, amounting to J\$2.52 billion, matured and were paid out in full. This previous issue was used to fund JMMB's local business line diversification – specifically in the areas of Pensions and Credit – and expansion of our operations in the Dominican Republic over the 3-year period. Given the significant demand and client interest in such investment

Pension Funds Under Management



opportunities, we officially launched a new Preference Share Offer in January 2011, which was designed with a special price and interest rate rewarding client loyalty, as well as providing the open market with attractive returns. The Offer, which closed on January 7, 2011 was oversubscribed by 33%, with total investments of J\$2.76 billion. We believe that this strong take-up was indicative of the attractiveness of the offer as a medium-term investment opportunity and signaled the continued confidence of clients in the JMMB Group.

Funds from the 2011 JMMB Preference Share Offer will enable the Group to continue its business line diversification strategies across its three territories – Jamaica, Dominican Republic and Trinidad and Tobago – and explore new acquisition targets.

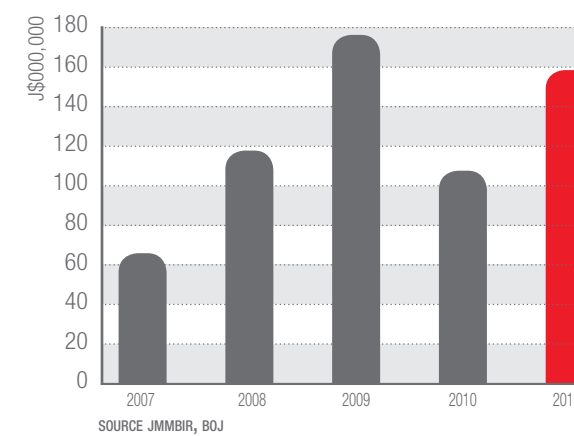
Pensions

In the Jamaican market, the reticence of many individuals to become a part of a formal pension plan, which means a long-term investment horizon, is a major hurdle that we must overcome in order to significantly increase the pension portfolio. We continue, however, to leverage our expertise in investment management, knowledge of the pension's legislative landscape and financial planning capabilities to provide a strong value proposition for pension members. We believe that with our focus on financial planning for all clients,

IT'S LISTED! Proud JMMB Team members watch as Dr. Marcia Whittaker, Branch Manager, JMMB Mandeville (right) inserts strip, officially listing the Group's 8.75% and 8.5% Preference Shares.



Foreign Exchange Margins from Cambio



our JMMB Retirement Scheme (JMMB RS) product is well positioned to support individual clients in planning for retirement. With our different investment strategies under the JMMB RS, clients are given the tools to create an investment plan that will match their risk appetite and achieve their retirement lifestyle objectives.

Our approach over the last 12 months has continued to bear fruit with Pension FUM increasing by over 14%. Revenues generated by this business line also jumped significantly by approximately 101% after growing by 105% in the previous year.

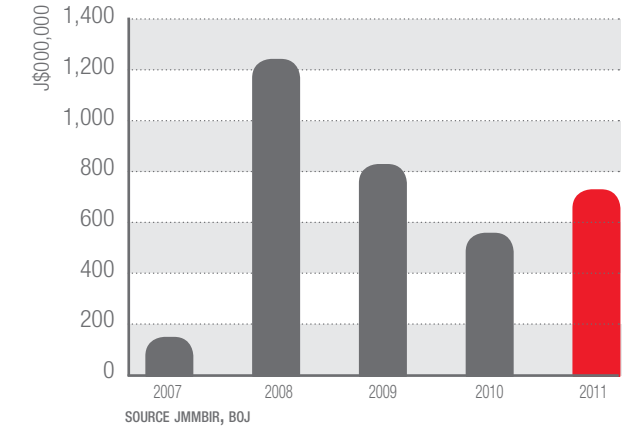
Members of both the Superannuation Funds and Group RS, whose portfolios we manage, also continued to benefit from our investment expertise with average returns for the financial year exceeding inflation by more than 500 basis points.

For the 2011/12 financial year, we remain very positive about the future of our overall Retirement Solutions. We continue to see increased interest in our offerings as a direct result of our marketing efforts and due to dissatisfaction of trustees with the service quality of other pension providers. We will continue to focus on improving our service quality, provide increased returns and customized retirement solutions for both individuals and companies looking for a partner to work with on the journey towards a confident retirement.

Cambio

For the financial year 2010/2011, competition in the domestic foreign exchange market increased amidst a general slowdown in demand directly attributable to overall weakness in economic activity and reduced

Retail and Corporate Equity Volumes



portfolio demand. The overall impact on the market was tighter spreads and a sharp revaluation of the Jamaican dollar between April and June 2010 with relative stability to present.

Despite the foregoing, the JMMB Group achieved a 46.5% increase in revenue from foreign currency trading, moving from J\$107 million in 2009/2010 to approximately J\$156 million in 2010/2011. We attribute this increase to market-making initiatives across our delivery channels, together with the superior JMMB client experience.

JMMB, with its extensive branch network and online capabilities, continues to enhance the experience of our more than 160,000 clients by making the exchange seamless with very competitive pricing. This has allowed the company to maintain its position as Jamaica's second largest Cambio.

For the financial year 2011/12 we will seek to:

- Improve our competitiveness with further enhancement to our client experience
- Continue market penetration with direct advertising and segmented targeting of end users.

Equities

Investor optimism was heightened immediately following the completion of the JDX and the significant reduction in overall market interest rates. However, this level of optimism was short-lived as investors realized that global economic growth would remain subdued for much of 2010/2011 and Jamaica's prospects for

significant economic growth would be restrained, at least for 2010/2011.

Despite the lack of optimism by investors, JMMB Securities Limited, for another year, maintained its number one status in terms of number of transactions done on the Jamaica Stock Exchange, with a total of 8,089 transactions. Our continued commitment to providing our clients with value-added research and swift execution has ensured that year-on-year we remain the number one broker of choice for trade execution.

For the financial year 2010/2011, JMMB Securities Limited increased its operating profit by over 53.85%, with total commissions earned from trading improving by over 95%.

For the upcoming financial year, the company will actively seek to strengthen our value proposition by playing an elevated role in bringing opportunities to our clients. We will:

- Actively monitor client holdings in stocks and offer buy/sell recommendations to optimize their returns;
- Continue to provide timely market research to inform client decision-making;
- Broker Initial Public Offering (IPO) where JMMB will act as a market maker.

Credit

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, we remain cautious due to the current economic climate. This was particularly important in light of increased loan delinquencies being experienced by other players in the financial sector.

For the financial year, our overall loan portfolio remained flat with approximately 46.17% or \$1.4 billion of the portfolio being comprised of loans backed by cash/cash equivalents, thereby reducing the overall risk in the portfolio.

For the upcoming financial year, 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:

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



BUY, SELL OR HOLD?: Clients weigh their investment options at the Equities Forum, "Maximizing Returns Through Equities Opportunities".

JMMB INSURANCE BROKERS LTD.

Plan. Prepare. Protect.

The financial year was marked with several accomplishments as JMMB Insurance Brokers Ltd (JMMB IB) achieved significant growth in revenue and its client base. JMMB Insurance Brokers (JMMB IB) reported positive trends in the growth of its portfolio and attendant revenues with 110% increase over baseline for the general insurance line, an 85% increase over baseline for core revenues and a 45% improvement in our bottom line results.

Additionally, our strategic efforts to cross-sell our products across the JMMB Group's extensive retail base reaped a fair degree of success. Our partnerships with suppliers enabled the creation of exclusive offerings which brought value to our client base as well as greater awareness of the brokerage.

Acquisition of New Portfolio

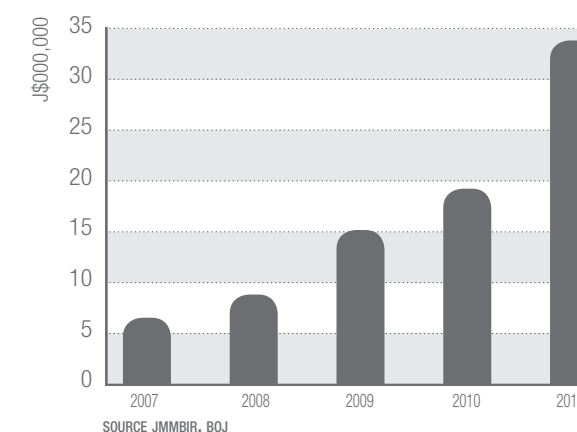
In February 2011, the subsidiary made a strategic move to increase its presence in the market with the acquisition of the portfolio of City Insurance Brokers Ltd. This move is aligned with the Group's strategic focus of continued diversification and growth in its business lines, both locally and regionally. The acquisition was a prudent and strategic option for JMMB IB, as it brought with it a substantial corporate portfolio, and a team of knowledgeable insurance professionals with over 35 years of combined experience. This served to complement JMMB Insurance Brokers' predominantly retail insurance client base.

Exclusive Offerings

We further enhanced our 'Smart Suite' of offerings with the introduction to the market of the new 'Smart Choice Home Insurance' package, underwritten by a leading insurance company, delivering exclusive benefits to our clients with unique personal and core

Cecile Cooper
MANAGING DIRECTOR JMMBIB

Commission Income – JMMB Insurance



covers available to home owners. With the support of another leading Insurance provider, we also introduced 'Smart Biz', an innovative commercial insurance product that bundles several covers under one package for an affordable flat premium. Our retail client base continued to realize significant savings from our 'Motor Smart Pak' which was launched in the 2009/10 financial year and this product continues to bolster the revenue for the subsidiary.

STRATEGIC DIRECTION FOR JMMB IB FOR 2011/12

For the upcoming year, we expect that the reduction in interest rates will spark entrepreneurial activity and create demand for commercial insurance. As such, we plan to implement a focused and deliberate corporate portfolio growth strategy by leveraging our newly acquired corporate expertise to create and cement our niche in the corporate market with particular focus on SMEs.

We will continue to add value to our retail client base through keen execution of bundling opportunities and optimize growth opportunities from exclusive offerings arranged through leading Insurers.

We believe that the Company is now poised to be a formidable competitor as a result of the expansion of our technical competencies, our increased exposure within the marketplace and growing support from our clients and suppliers. As such, we will continue our marketing efforts to build awareness of the JMMB IB brand and to position ourselves as a broker of choice.

REGIONAL PERFORMANCE

JMMB'S DOMINICAN REPUBLIC OPERATIONS

JMMB's Dominican Republic (DR) operations continue to expand, grounded in our strategic decision to be a catalyst in the development of the island's Securities market, building exceptional and lifetime industry and client relationships.

During the 2010/11 financial year, our focus included the evaluation of acquisition opportunities for expansion through the addition of new business units to complete our product offerings while increasing profitability and widening income sources.

JMMB BDI AMÉRICA PUESTO DE BOLSA, S.A.

After more than three years since our official launch, JMMB BDI América S. A. has achieved robust results. Our brokerage firm is now strongly recognized by institutional and high net-worth client segments. Our commitment to building relationships and developing the securities market has been recognized by the market.

Our participation in the financial market and the products and service level we offer are valued by Government entities such as the Ministry of Finance, the Central Bank and the Securities Commission. Our appointment as a voting member of the Stock Exchange and Brokerage Association has been ratified until 2012.

Fulfilling Our Clients' Needs

We continue to build our portfolios driven by our flagship product, SURE INVESTOR, a unique market offering for repurchase agreements. The main product features of monthly payment of returns and tenor flexibility continue to increase its market acceptance. Despite the growing competition from other financial institutions offering similar investment alternatives, we maintained our edge through enhanced customer service. Additionally, our business strategy now includes custody accounts management where customers are able to own securities until maturity, as well as more active trading transactions to earn higher returns for our clients. Our participation in the Ministry of Finance's Primary Market bids also enabled us to increase profitability of our investment portfolios and allow our clients to invest through us in these bond issues.

Through our local franchises and partners, we have been able to satisfy other business and personal needs

of our clients, such as lending products and Cambio transactions.

Back-Office Synergy and use of Group Expertise

We are also working with a synergized back-office to improve efficiency and sustainable profitable growth. Additionally, we continue to apply and improve our Risk and Liquidity policies, including Duration, VaR and Stress Test best practices. This has been supported by our experienced Risk Management unit in Jamaica which has helped us to guarantee the construction of healthy, balanced investment and repurchase agreements portfolios.

Financial Results 2010/11

- FUM & Credit Lines growth to US\$ 70.42 M (82%)
- Investment Portfolio (Face Value) growth to US\$ 75.47 (82%)
- Net Earnings: US\$ 1.3M
- ROAE: 39%
- Dividend Payment: 20%

JMMB DOMINICANA, S.A.

During 2010-2011, JMMB Dominicana focused on developing relationships with corporations, offering integral advisory services for Merger and Acquisitions, Asset Sales, Leasing and Overseas Investment opportunities.

Our local clients include corporations of different economic sectors, such as Communications, Tourism, Energy, Financial and Health Services. Our main focus for this upcoming financial year is to work on clean energy projects to also reinforce our commitment with the country and as part of our overall corporate social responsibility.

We have been able to work closely with medium to large companies to assess investment opportunities. Our professional service and fair price strategy have allowed us to achieve important deal mandates and close ongoing deals. We have also been able to develop a strong international network covering markets in Europe, United States and Latin America in order to connect potential investors.



FROM LEFT Juan Jose Melo INVESTMENT BANKING HEAD || Laura Aybar OFFICE MANAGER AND RELATIONSHIP OFFICER || Patria Rivera FINANCIAL CONTROLLER || Curtis McDowell TECHNOLOGY AND OPERATIONS HEAD || Jesus Cornejo TREASURY AND CLIENT RELATIONS HEAD || Veronika Ariza Baber MARKETING MANAGER AND RELATIONSHIP OFFICER || Guillermo Arancibia COUNTRY MANAGER

STRATEGIC FOCUS IN THE DR FOR 2011-12

The JMMB Group continues to leverage the Company's expertise and knowledge in the Securities business (specifically, Fixed Income Repo model), technology and operational experience to break into new markets with a favorable market landscape. With this strategy, we established a presence in the Dominican Republic in 2006 through our subsidiary JMMB Dominicana. We also acquired a 80 percent stake in the Securities firm BDI America and rebranded the entity JMMB BDI America. These acquisitions are part of our overall long-term strategy to build out a full suite of Banking and Brokering services in the Dominican Republic. Our intent is to integrate the businesses of Banking and Securities to ensure efficiency and to create products that are appropriate for the various local market segments. Within the next three years we will look to:

- Develop an aggressive sales and marketing strategy to bolster client acquisition and market share. This includes the development of a client value proposition to meet the needs of the people in the DR using group expertise in packaging;
- Further our growth in banking through acquisitions in a consolidating market environment. Currently, we are in the final regulatory approval stage of our acquisition of

Corporacion de Credito America (CCA), a local Savings and Loan Institution.

- Develop Broker Dealer activities;
- Efficiently manage the growth in operating expenses in line with increased earnings potential.

JMMB'S OPERATIONS IN TRINIDAD & TOBAGO

INTERCOMMERCIAL BANK GROUP (IBL)

The Intercommercial Bank (IBL) Group demonstrated its resilience and commitment to stakeholders through its performance over the financial year ended March 2011, notwithstanding the challenges faced in Trinidad and Tobago's domestic financial market. The results were achieved despite decreased credit demand, rising unemployment and a highly liquid environment. During the period, the Central Bank of Trinidad and Tobago reduced the 'Repo Rate' from 5% to 3.25% as at March 2011, and this led to commercial banks decreasing their average prime lending rate from 9.5% to 8% by April 2011. Despite the lower interest rate environment, private and public sector credit levels continued to decline year-on-year. Lower lending rates failed to spark a generalized pickup in bank credit, although signs emerged in the fourth quarter of 2010 that the decline in consumer borrowing might be leveling off.



FROM LEFT Gary Awai GROUP TREASURER || Ingrid Sampson GROUP HEAD OPERATIONS || Ayvann Ferguson GROUP LEGAL COUNSEL AND CORPORATE SECRETARY || Vishwanathan Ravishankar GENERAL MANAGER, RETAIL AND COMMERCIAL BANKING || Terrence Clarke GROUP STRATEGIC BUSINESS DEVELOPMENT ADVISOR || Lisa-Maria Alexander HEAD OF MARKETING || Rehana Mohammed GROUP CHIEF FINANCIAL OFFICER AND HEAD OF INFORMATION TECHNOLOGY || Devati Mooleedhar GENERAL MANAGER, CORPORATE AND INVESTMENT BANKING || Hugh Duncan GROUP CEO AND MANAGING DIRECTOR.

ABSENT Elangadu. S. Mohan EXECUTIVE DIRECTOR AND GROUP DIRECTOR RISK.

Financial Performance

We continued on our path of success with a profit before tax (PBT) of TT\$4.1 million (US\$653.9k) and a total comprehensive income for the year attributable to equity holders in the amount of TT\$6.2 million (US\$998.8k). These results were achieved despite rising credit delinquencies throughout the banking system. Negatively impacting profit before tax was an environment of increased non-performing credit assets and a contraction in credit demand.

Net Interest Income (NII) increased by 4% over the prior period and represented 59% of operating income; a reflection of proactive management of the balance sheet and asset mix.

Operating expenses, inclusive of provisions, continued to be effectively managed and decreased overall by 4% over last year. Staff costs, which represented 53%, were maintained within budget.

The Group's asset base closed at TT\$975 million (US\$155.5m), a decrease of 22% from prior year's TT\$1.2 billion (US\$191.4m). This deliberate strategy was to redeploy surplus cash balances through the repayment of high-cost funding in a period of declining interest rates. Gross loans and advances portfolio represented 44% of total assets, closing at TT\$439 million (US\$70.01m), an increase of 3.5% over the prior

year-end, whilst the investment portfolio declined by 19% following maturities and a lack of available high-yielding, quality securities for reinvestment.

Risk Management

The ongoing review and enhancement of the IBL's Compliance and Enterprise Risk Management framework and architecture was conducted, with the upgrade of several guiding policies and procedures to proactively mitigate against adverse economic challenges. During the year, an Anti-Money Laundering software was commissioned and this initiative has automated the process of monitoring activities that will ensure the long-term sustainability of the business.

STRATEGIC FOCUS OF THE IBL GROUP FOR 2011-12

As part of the Group's strategic plan to extend its reach in the Trinidad and Tobago market, we will be exploring suitable locations across the east/west corridor and South Trinidad for the build-out of our retail branch network. This is in keeping with our strategic focus of being 'a community bank with a national identity'. Delivery channels will be further enhanced through the extension of the Electronic Banking Services to the Acquirer business for VISA products and LINX network membership. In

response to our client needs, we will also begin plans to provide internet banking service.

We are also reviewing and realigning on IBL's marketing strategy and customer value proposition in support of the new 5-year Strategic Plan (2011 – 2016) which focuses on continued commitment to a values-based culture. This will help us deliver on the company's rebranding as well as the strengthening of our corporate identity.

THE JMMB GROUP: INCREASING STOCKHOLDER VALUE (2011-14)

At the end of the 2010-2011 FY, JMMB was honoured with the Jamaica Chamber of Commerce (JCC) 'Best of Chamber Award in the Large Category', from a field of impressive nominees. The list included major telecoms provider Digicel Jamaica, National Commercial Bank Jamaica Limited, one of the country's largest financial services providers, beverage company Red Stripe and the Jamaica Biscuit Company Limited, the island's largest biscuit company. The award is intended to recognize the hard work, dedication, adaptability to changing economic environments and strength of the renowned nominees. From this reinforced base

of 2010-11, the JMMB Group moves forward with its 3-year Strategic Plan.

The overarching strategic objective of the JMMB Group is to create and maximize long-term value for shareholders. As pioneers in the money market, our proven track record of success is built on a client-focused business model which requires continuous innovation in product and service delivery and applying our investment expertise to the benefit of our clients and shareholders. In responding to the needs of our clients, we have made significant investments over the past five years towards building out various business lines (such as Pensions, Credit and Insurance) and extending our reach regionally with presence in Trinidad and Tobago and the Dominican Republic.

Whilst acknowledging the varying levels of success of these investments to date, we must continue to diversify our income stream, increase market share and adapt to the changing dynamics of the financial landscape to deliver long-term sustainable returns to our shareholders. As such, our strategic focus for the next three years will be centered on key areas which we deem critical to the Group's long-term success.

CELEBRATION TIME: JMMB Team members celebrate in fine style with the presentation of the 'Best of Chamber' award by the Jamaica Chamber of Commerce at the event.



Growth in Jamaica: JMMB's Home Base

The macroeconomic and regulatory environmental assumptions for the next three years dictate that we need to build on the strategic initiatives implemented in 2010/11. For the period, we will seek to:

- Build on the Financial Planning Services (FPS) framework, offering active 'Client Portfolio Management' services;
- Reduce the risk to our Securities business model by migrating clients off the balance sheet and placing more emphasis on collective investment schemes as part of the overall investment offerings;
- Further diversify our business model by building out our Capital markets offerings;
- Build out Banking solutions either through acquisitions or applying for a banking licence in Jamaica;
- Increase market share; winning new clients to the JMMB Group based on attractive client value propositions (CVP's) across all business lines;
- Align our delivery channel strategies and determine the most optimal (cost and client experience) channels through which to deliver Group products to each client segment (Corporate, SME and Retail).

Regional Growth Strategies

Along with the various strategies to increase profitability and market share in the Dominican Republic through the identification of Banking acquisition opportunities, JMMB is currently evaluating strategies to enter the Central American region. Over the next three years, we will also be evaluating various partnerships to enter the Securities and Real Estate Investment Trust (REIT) business.

Over the next 3 years, the JMMB Group also plans to re-enter the Securities business in Trinidad and Tobago. In 1999, we built on the solid base established in Jamaica by expanding into Trinidad and Tobago through a 45% shareholding in Caribbean Money Market Brokers (CMMB) Ltd. This investment reaped significant returns for the JMMB Group as we realized a \$2.3 billion gain from the sale of our stake in the entity in 2008. Over the period 2011-14, our intention is to replicate this business model in Trinidad and Tobago as we believe the market conditions are now favorable for re-entry.

Conclusion

Our achievements over the past 18 years attest to the fact that we have a dynamic and highly capable team that can effectively weather the changing tides of the financial landscape to provide solutions that will protect and enhance the wealth of our clients and stockholders. This solid footing has given us a strong baseline for future growth which will see JMMB's profitability and Return on Equity (ROE) continuing to increase at sustainable rates. We remain committed to achieving our vision of being a leading, international, multifaceted financial group that remains true to our core values, ensures win/win outcomes for all stakeholders – stockholders, clients, team members – as together we *dream, focus and achieve*.

The Financial Lifecycle

JMMB Jamaica Solutions for Each Stage of Your Journey



Every individual has a financial lifecycle and it is important to understand where in the cycle you are, especially if you are serious about saving, improving your financial well being and achieving your goals. We call these steps 'Lifecycle Planning' because each step can be tied to the attainment of certain life-defining events that almost everyone goes through.

At JMMB we are committed to empowering our clients through effective financial planning, applying the most relevant solutions so that they will realise their life goals.



Kadean Steele serves Mr. Tomlinson and a range of medium-sized and large corporate, and institutional clients with knowledge, efficiency and responsiveness. Her service is grounded in our commitment to client care.



It's All
About
You!

"I have been a client of JMMB since its inception. I am really appreciative of the personalized service that I consistently receive. The investment advisors have worked with me to maximize the returns on the excess cash flow from my business.

JMMB's team is hardworking, motivated, and extremely competent. I have great trust in their expertise and I am confident in their ability to get results. My Corporate Relationship Manager is proactive, tenacious and reliable. There is no doubt in my mind that the Company has gone the extra mile to keep its clients satisfied."

—Bert Tomlinson

Bert Tomlinson, owner of Bert's Auto Parts: retail, wholesale distributor of auto parts.

Talented Teams Genuine Relationships and Client Care



Executive Team Leaders

FROM LEFT Patrick Ellis GROUP CHIEF FINANCIAL OFFICER || Julian Mair CHIEF INVESTMENT STRATEGIST || Paul Gray CHIEF INVESTMENT OFFICER || Patricia Sutherland EXECUTIVE DIRECTOR, BUSINESS OPERATIONS || Keith Duncan GROUP CEO

SEATED FROM LEFT TO RIGHT (FRONT ROW) Janet Patrick FINANCIAL CONTROLLER, GROUP STRATEGIC PLANNING || Imani Duncan GROUP MARKETING MANAGER || Sheldon Powe CHIEF INFORMATION OFFICER || Kisha Anderson MANAGER, CLIENT SALES AND SERVICE DELIVERY || Carolyn DaCosta GROUP COMPLIANCE MANAGER AND COMPANY SECRETARY || Donna Duncan-Scott GROUP EXECUTIVE DIRECTOR, CULTURE AND LEADERSHIP DEVELOPMENT

“Management support plays a key role in overseeing the business through its various subcommittees and we work tirelessly to ensure that we remain in high standards and within best practice.”



Profiles of Executive Team Leaders

KEITH DUNCAN GROUP CHIEF EXECUTIVE OFFICER

DONNA DUNCAN-SCOTT GROUP EXECUTIVE DIRECTOR, CULTURE AND LEADERSHIP DEVELOPMENT

KISHA ANDERSON MANAGER, CLIENT SALES AND SERVICE DELIVERY

Kisha Anderson began her tenure with JMMB in 1996, and has since worked in several areas of the company's operations, including 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, corporate and electronic delivery channels.

Her areas of responsibility include developing and guiding the implementation of marketing and sales strategies and ensuring that revenue, market share and profit targets are met. As the head of Frontline Services, and in keeping with the Company's commitment to building genuine relationships, Kisha oversees the delivery of JMMB's trademark exceptional client care.

She holds a Bachelor of Science degree from UWI and has several professional certifications in talent and process management. Kisha currently serves as a director on the Board of JMMB Insurance Limited and is a Justice of the Peace for Kingston.

CAROLYN DACOSTA GROUP COMPLIANCE MANAGER AND COMPANY SECRETARY

IMANI DUNCAN GROUP MARKETING MANAGER

Imani Duncan was appointed Group Marketing Manager in April 2009 with responsibility for the marketing strategy, design and execution for JMMB Jamaica, and JMMB's operations in the Dominican Republic. Her role as marketing head guides the delivery of a consistent and dynamic messaging for the Company's value proposition: 'We have the client's best interest at heart'.

As a former director of the Development Bank of Jamaica, Jamaica's leading financial government institution for economic development, and its Investment

and Credit Board Committee, she garnered further knowledge of financing options, deal structuring, and regulatory bodies to facilitate business development and expansion. She is a founding member of the Caribbean Policy Research Institute, the Caribbean's first independent think-tank.

Imani represented the country as Miss Jamaica World 1995, with her focus on sustainable environmental practices as well as violence reduction in schools, and was the first spokesperson for Peace and Love In Schools (PALS) Jamaica.

She has a Bachelor of Arts (Hons.) in Economics, Philosophy, Government and History, with a minor in Environmental Policy from Wesleyan University. Imani also holds a Master degree in International Development, with a focus on economic development and growth, from Harvard University. She is currently a Board Director of the Kingston YMCA Jamaica as well as a Core Executive member of Y.U.T.E.

PATRICK ELLIS GROUP CHIEF FINANCIAL OFFICER

Patrick Ellis joined JMMB in 2008 as Group Chief Financial Officer. He is responsible for the oversight and execution of the Company'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 operations in Jamaica and the Dominican Republic.

Prior to joining JMMB, he was a director in the Audit Assurance and Advisory Department at PricewaterhouseCoopers (PwC) where he led the management of the audits of major companies in the financial and telecommunications industries in Jamaica and the wider Caribbean. Patrick's experience as a multi-sectoral relationship manager included preparing a company for private listing on the Securities Exchange Commission and audit certification pertaining to bond offerings in international capital markets.

He is a Fellow of the Chartered Association of Certified Accountants (U.K.), a Fellow of the Institute of Chartered Accountants of Jamaica and a Certified Public Accountant. He also holds an MBA (Finance) from Manchester Business School.

PAUL GRAY 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 where he built a strong track record in asset management and trading. As Chief Investment Officer he provides direction and management of liquidity, investment portfolios, foreign exchange trading, equities trading and research delivery.

With over a decade of experience in the financial industry, Paul has received professional training in derivatives, asset/liability and risk management. He was appointed to the Board of Directors of JMMB Insurance Brokers Limited in October 2006 and currently chairs the company's Investment and Revenue Committees. He holds a Master degree in Finance from the Manchester Business School.

JULIAN MAIR CHIEF INVESTMENT STRATEGIST

As the Chief Investment Strategist, Julian brings a wealth of experience to this position, having played a critical role in the development of Jamaica's capital market for over 17 years. Prior to his appointment, the firm benefited from his wealth of knowledge when he served as Senior Trader and Cambio Manager. He has consulted with various international financial institutions in structuring global issues, primarily for the Government of Jamaica.

Before joining JMMB, Julian worked with some of the island's leading financial institutions in key positions, including Dehning, Bunting and Golding (now Scotia Investments Ltd.) where he headed the Treasury and Investment arm and Lets Investment Ltd. where he was Managing Director. Under his leadership, that boutique operation became a global player in the trading of internationally issued securities.

Julian is a founding member and executive of the Jamaica Securities Dealers' Association and serves as a director of JMMB Securities Limited, JMMB International, JMMB BDI America and the Jamaica Stock Exchange.

He holds a Bachelor of Science degree in Finance from Howard University.

JANET PATRICK FINANCIAL CONTROLLER- STRATEGIC PLANNING AND BUDGETING

Janet Patrick was Chief Accountant from 1998, and in 2007, she was appointed Financial Controller, having had extensive experience in accounting and auditing. She was a member of the senior audit staff of KPMG Chartered Accountants working on major audit assignments and several special projects. She also established the accounting functions of a leading securities firm in Jamaica.

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

SHELDON POWE GROUP CHIEF INFORMATION OFFICER

Sheldon Powe is the head of the technology team for the JMMB Group and began his tenure in 1997. As Group Chief Information Officer, he ensures that the Company has robust and reliable systems to meet the changing demands for information processing. Sheldon oversees JMMB's technology platform both locally and regionally, managing network security and reliability. He runs the data centers, frontline applications including online services, Electronic Transaction Machines (ETMs), Client Care Centre and other in-branch transaction processing and the Information Security and IT Disaster Recovery systems.

Sheldon holds a Bachelor of Science degree from the UWI, as well as a Master in Industrial and Systems Engineering from the University of Florida. Sheldon is a Certified Project Manager, an Information Systems Auditor (CISA), Certified Information Security Manager (CISM) and is also ITIL V3 certified.

PATRICIA SUTHERLAND EXECUTIVE DIRECTOR, BUSINESS OPERATIONS

Patricia Sutherland brings over 15 years experience in management, operations and strategic planning in financial services and manufacturing to her position. She is responsible for ensuring the efficient execution of the middle and back office operations, which includes Information Technology, Securities and Settlement and



Profiles of Executive Team Leaders continued

the Operations Management departments. She also leads JMMB Group's strategic formulation, execution and management.

Patricia first joined JMMB in 1994 as Operations and Human Resources Manager, and in 1999, transitioned to the role of Consultant with JMMB as Project Manager for various initiatives, including JMMB's Initial Public Offering. She was a key member of the acquisition team for Intercommercial Bank Limited. Before this, she worked with the ICD Group of Companies (now ICD Group Limited) as Operations Manager at Butterkist Limited and as General Manager at HoFAB Limited.

Patricia speaks fluent French and holds a B.Sc. in Pure and Applied Chemistry, (UWI). 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 Organisation Learning. From 1993 to 2005, Patricia was President of the Guild of Graduates, UWI (Mona) and is also a director on the Board of the Jamaica Social Investment Fund and also JMMB Securities Ltd.

Karlene Jarrett
Personal Portfolio
Manager



It's All
About
You!

CALVIN WILLIAMS & DR. ANGELA RAMLAL-WILLIAMS

October 9, 2010

Miss Joan Edwards
Manager
Personal Portfolio Management Department
Jamaica Money Market Brokers
6 Haughton Terrace
Kingston 10

Dear Miss Edwards,

Greetings of peace to you and all at your institution.

We write to express how satisfied we have been to do business with your department over the past four years or so. This is not only because of the pleasant atmosphere and ambience, but because of the personal qualities of one of your staff members. This letter has not been solicited by the individual mentioned in it or by anyone else.

For your records, we wish to commend Ms. Karlene Jarrett for her people-skills. Largely because of the warmth of her welcome, her genuine interest in our affairs and her willingness to help we look forward to our visits to your department. Ms. Jarrett receives us as one would receive family, yet without compromising her professionalism. During our numerous interactions, we have found her well-informed and up-to-date. She displays a positive, "can-do" attitude. We have come to trust her helpful guidance. Furthermore, she has extended her graciousness towards an eighty-six year old relative of ours who is also a client of yours.

Added to this, Ms. Jarrett has a charming personality. You will be pleased to know we believe she serves your clients with integrity, grace, poise and a touch of class.

Best wishes.

Yours sincerely,

Calvin C. Williams
Calvin C. Williams

Dr. Angela Ramlal-Williams
Dr. Angela Ramlal-Williams

copy: Ms. Karlene Jarrett



Senior Team Leaders – Heads of Department

FROM LEFT Peter Thompson SENIOR INVESTMENT MANAGER, PENSIONS AND CLIENT PORTFOLIOS || Keisha Forbes TRADING MANAGER ||
Sasha Sheehy DEPLOYMENT MANAGER || Dale James MARKET RISK MANAGER || Gifford Rankine MIS AND APPLICATION SUPPORT MANAGER
|| Nerene Brown OPERATIONS MANAGER, CLIENT SALES AND SERVICE DELIVERY || Ike Johnson SENIOR STRATEGIC MANAGEMENT OFFICER ||
Densie Robinson GROUP MIDDLE OFFICE MANAGER || Kashwayne Bryson CHIEF ACCOUNTANT – GROUP REPORTING AND FINANCIAL PROJECTS
|| Dawnel Thompson PROCESS DEVELOPMENT MANAGER

“JMMB’s growth also reflects management’s commitment to the fundamentals of improving efficiency, increasing revenue and maximizing shareholder return.”





Senior Team Leaders – Branch Managers

FROM LEFT Joan Edwards MANAGER, PERSONAL PORTFOLIO MANAGEMENT CENTRE || Rockanne Lee Clarke-Crawlle MANAGER – HAUGHTON BRANCH || Lorna Hall MANAGER, MONTEGO BAY BRANCH || Marcia Whittaker MANAGER – MANDEVILLE BRANCH || Fonia Young MANAGER – KNUTSFORD BOULEVARD BRANCH || Horace Wildes MANAGER – OCHO RIOS BRANCH || Jacqueline Mullings REGIONAL MANAGER – MAY PEN, SANTA CRUZ AND JUNCTION BRANCHES || Tevery Gray MANAGER – PORTMORE BRANCH AND CLIENT CARE CENTER

“JMMB’s mission is to maximize client satisfaction through exceptional client care and world-class financial advice and expertise.”





It's
All
About
You!

"When I go to my JMMB office the atmosphere tells me that they are not just interested in my money but in me as a person. I began investing with the company when I was quite young. I was looking for an alternative to the traditional banks and found their rates to be very attractive. My investments with them have allowed me to achieve many of my goals.

The superiority of the service is undeniable. The team has done a great deal in assisting me in my quest for financial independence and I look forward to further success."

— Albert Swaby

Financial Advisor for a security company and also involved in honey production. He lives in the parish of Manchester and is a proud client of JMMB.

It's All About You Client Intimacy



JMMB
2011 ANNUAL REPORT



Genuine Relationships That Serve Our Clients and Team Members

Consistent with our commitment, JMMB has continued to combine our genuine client relationships with our teams' financial expertise, developing a unique partnership to produce powerful long-term results through win-win solutions. During the last financial year, we implemented a strategic programme of activities designed to deepen the conversation around "being in the world of the client" and engaged the team on the importance of moving our service to higher degrees of excellence.

To further develop the culture of client care excellence, several training sessions were designed to equip our team with the required skills to achieve our desired client outcomes, in keeping with the promises made in our *Client Care Charter* and our *Vision of Love*.

THE JMMB WAY – TEAM TRAINING

Our clients are at the heart and are the heartbeat of our business and so our Client Intimacy Project launched in FY10 has the objective: "JMMB delights me and has my best interest at heart". Now in its second year, our Client Intimacy Project saw the launch of The JMMB Way Workshops held from June to August 2010 in which 98% of our Team Members (new and existing) participated. The workshops were designed to be transformational so that our team could deepen our ownership and expression of our Vision of Love, which entails being true to our values and who we really are, human beings blessed with the power to choose to stand for our own greatness, that of our fellow team members and our clients, regardless of the circumstances. This is the foundation of being happy, powerful and creative, building mutually beneficial relationships and excellent teamwork which in turn results in genuine and exceptional client care, from the heart.

In May, we produced a series of *Sales Competency Development* seminars to enhance our team members' core competency skills: Collaborative, Relationship, Integrity-Selling and Partnership Sales Training – (CRISP), which enabled our Financial Advisors to understand and effectively develop more engaging relationships with our clients by helping them to better

THE SEASON OF LOVE: Kisha Anderson, Manager, Client Sales and Service Delivery (l), and Jacqueline Mullings, Regional Manager – May Pen, Santa Cruz and Junction Branches, happily engage in feting clients at the Mandeville branch during the Christmas season.



CONTINUED INCREASE IN CLIENT SATISFACTION RATINGS			
2010	Mystery Shopper	Customer Satisfaction	Customer Engagement
Average	97.2%	82.6%	84.0%

understand how our clients' needs change in concert with the different stages of their Financial Lifecycle, their attending concerns as well as to develop greater focus on customizing our offerings to produce win/win solutions.

During the period June to July 2010, our Client Relations Officers were retrained in Financial Planning and Investment Advice to enhance their proficiency in developing financial plans for our clients, while providing them with expert guidance in identifying possibilities and achieving their goals within their desired timelines.

Our Product Development Team continuously worked to refine and customize our product portfolio to create attractive packaging and value-added services so that our offerings would be more appealing to our various client segments, aiming always to meet or exceed their expectations.

"WOW" TREATMENTS IN BRANCH

In keeping with the objectives of our Client Intimacy project, clients were surprised with gestures of appreciation while conducting their business in June 2010. In the context of our wellness theme, they were treated to massages, specialty food offerings, an ambience that was warm, fun and inviting, along with other delightful innovations. October's event was themed "Pay It Forward" and included internal clients on the Frontline who were WOW'ed by their Team Leaders and then asked to pass it on to their external clients, encouraging them to do the same. The effect was that our Frontline team members gained a greater appreciation of the value and impact of the event to our external clients, having experienced it themselves and partnered with their clients to "Pay It Forward."

CLIENT INTIMACY DAY

These sessions were directly targeting service excellence from our clients' perspective, as outlined in our Client Care Charter and supported by our Client Care Standards. One hundred and ninety-six team members attended the Client Intimacy Day held on November 13 and 14, at the Terra Nova Hotel. The post workshop evaluation score was 91.3%, an



Sharing the Love and embraces during our in branch WOW and Annual General Meeting: Evidence of the genuine warmth and family at JMMB.





CLIENT SATISFACTION AND ENGAGEMENT SURVEYS RESULTS

The JMMB Group continues to be guided by our clients' feedback and scores from our quarterly surveys and at the end of the F/Y 2010 our scores were as follows:

85%	stated that they feel that they are a part of the JMMB family
90%	believe that JMMB is the best financial institution in Jamaica
93%	stated that they actively encouraged others to become clients of JMMB
77%	feel that JMMB sets the standard by which all financial institutions should be judged
71%	feel that the Client Care at JMMB is better than that of any other financial institution



indication that the sessions were considered very successful and as having met their objectives. Team members expressed their enjoyment and gave their commitment "To Serve with Love and Create Fans". The workshop, produced by the Culture and Human Development Team, was conducted in a spirit of love, fun and togetherness with "WOW" elements, paving the way for the further development and implementation of our Client Intimacy strategies.

Plans for 2011 include the implementation of company-wide service standards and service level agreements across departments; implementation of a new PBX system to improve the quality of our communication, response time and capabilities; execution of a Customer Relationship Management System (CRM) to support us in having a 360 degree knowledge of our client database. The CRM will allow us to integrate our feedback channels to create a centralized feedback system from which we can monitor and track our clients' responses to completion. We will also be better able to design customized products to meet their needs at each stage of their financial lifecycle and better track and monitor their portfolio performance. In the coming year we will also put in motion plans for a Company Responsiveness tracking and measurement system to help enhance our service delivery at every touch point of our clients' experience.

TOP Truly Wowed: JMMB client Yvonne Iles (r) is 'wowed' by Tania Lane of the Knutsford Branch with a sweet treat and warm wishes.

MIDDLE Minority Rule: This youngster commands the attention of Keith Duncan at the YOU Mentor Awards.

RIGHT Getting 'Locked' In: JMMB client Rita Yapp (right) and Manager of the Personal Portfolio Management Centre, Joan Edwards examine the stock options available as the two get involved in an equities game aimed at 'Maximizing Returns Through Equities Opportunities'.

Strong Sustainable Community Partnerships Standing In Love



LEARN-AND-EARN – Imani Duncan (right), chairperson of the Communications and Creative Engagement Committee, celebrates with participants at a Learn-and-Earn pre-skills training at Tivoli Community Centre.



Lifts Up Y.U.T.E. Programme

Creating Possibilities Through Genuine Relationships That Serve Our Country

The events of May 2010 in sections of Kingston, crippled the movement and livelihood of thousands of Jamaicans, and according to estimates of the Planning Institute of Jamaica, directly impacted about 13 percent of the population. However, out of the ashes of our adversity arose the ground-breaking Youth Upliftment Through Employment (Y.U.T.E.) programme strongly supported by JMMB as its 2011-13 national project.

Consistent with their **Vision of Love**, JMMB recognizes the links between the organization and the wider society and the inter-relatedness of all life. JMMB embraces that while we celebrate differences we must also realize that there are commonalities that bind us together; there is a one-ness amongst all people.

JMMB believes that the Y.U.T.E. programme will achieve its target of ultimately creating inner-city renewal and through its foundational principle of standing for nation building and the empowerment of Jamaica's people. JMMB's support of the Y.U.T.E. programme includes playing a critical role in the leadership, development and execution of the programme. JMMB has also provided financial assistance to the tune of \$20M, 10 jobs as well as, JMMB Group CEO, Keith Duncan, chairs the Programme Development and Implementation Committee and Imani Duncan, JMMB Group Marketing Manager, lends her expertise to the project as she steers the Communications and Creative Engagement process.



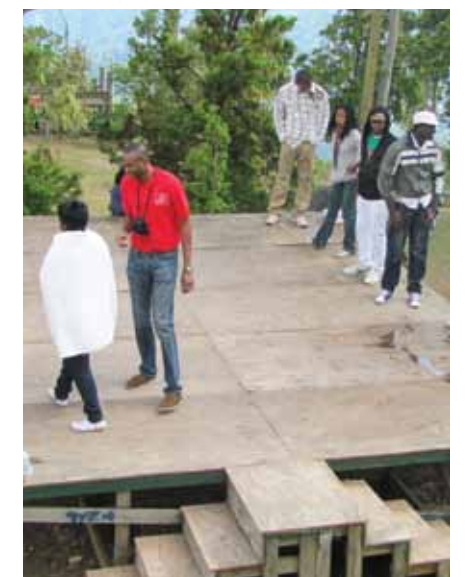
THE BIRTH OF Y.U.T.E.

The Private Sector Organization of Jamaica (PSOJ), recognizing its role in economic and social development, formed the Inner City Renewal Committee in a direct and proactive response to the May 2010 events and asked Keith Duncan to chair the effort. Under his leadership and with active guidance from the Committee, the Y.U.T.E. programme was created as a positive, multi-tiered, transformational programme to tackle some of the underlying causes of the problems that lead to crime and violence.

Y.U.T.E. aims to empower unattached youth in depressed communities by improving their employability through mentorship and skills upgrade; and provide them opportunities for gainful and lawful employment through work experience and start-up entrepreneurial ventures.

The programme sets itself apart from other social intervention programmes because of its multifaceted approach. It is the first programme of its kind in Jamaica where no one gets left behind. The programme addresses needs at multiple levels in a programmatic way including numeracy and literacy, mentorship and resocialization, enterprise training and start-up funding.

It is a true partnership effort involving various organisations including NGOs, government agencies, foundations, development agencies and private sector entities. Another facet to the programme is the Job Opportunity Bank (J.O.B.), one of its key distinctions that makes **Y.U.T.E.** significantly different from other programmes. The Job Opportunity Bank reduces the possibility of persons acquiring skill sets for vocations where the jobs



TOP LEFT TALKING Y.U.T.E.: Sandra Glasgow, CEO of the Private Sector Organization of Jamaica (PSOJ), and member of Y.U.T.E. Project Board; JMMB's Keith Duncan (centre), Chairman of the Programme Development and Implementation Team and Joe Matalon, PSOJ's President and Chair, Y.U.T.E.

TOP RIGHT AND ABOVE Y.U.T.E. participants enjoying the outdoors.

do not exist private sector firms make 'deposits' by committing to providing job opportunities to graduates of the programme thus creating increased opportunities of empowerment of each and every youth.

Y.U.T.E. ACHIEVEMENTS

After only six months in operations Y.U.T.E. has received support from many PSOJ members, other



companies as well as development agencies, and cash commitments of \$280M has been made to date. Y.U.T.E. received positive responses towards job placement commitments. Though there is a great need for more. To date, it holds the largest number of trained mentors in any one programme in Jamaica, that is over 350. The Programme continues to engage staff members of sponsor companies as well as wider Jamaica as it seeks 2,200 mentors in total to provide guidance to the participants of the programme.

Y.U.T.E. WORKS

Phase One is to be executed over two years, focussing squarely on unemployment among young people and targets some 1,295 jobs and work experience opportunities. It has already been enjoying enrolment of 600 participants. The communities being impacted in Phase One of the project are Denham Town, Mountain View, Parade Gardens, Rockfort, Olympic Gardens, Tivoli Gardens, Jones Town and Trench Town. On the successful execution of Phase One, the programme will expand to other communities in Kingston and wider Jamaica. It is to be delivered through three main work-streams:

Y.U.T.E. Works. This has been impacting the youth who are job-ready or require skills training/upgrading to become job-ready. This workstream has been enjoying highest take-up rate with some 445 participants being engaged in skills training at various levels including basic and advanced numeracy and literacy and vocational skills. Some 90 young people have already been placed in jobs through the Job Opportunity Bank.

Y.U.T.E. Entrepreneurship. With some 100 participants signing up, this stream focuses on the youth who are interested in creating their own business ventures. Already, they have completed entrepreneurial orientation sessions and will shortly be engaged in business development workshops and micro-franchise opportunities.

Y.U.T.E. U-Turn. With some 55 youth currently enrolled in the residential Challenge Camp, this facet of the programme focuses on the youth who have been involved in some form of anti-social activity and want to make a turnaround.

Experiences of Mrs. Diana Burgess, JMMB Team Member who speaks about her experience with the Y.U.T.E. project and her trainees.

At JMMB, I have responsibility for the cultural aspect of orientation which happens on the first day when team members join the company. This orientation session with the participants in the Y.U.T.E. project, turned out not to be the regular conversation about company values, client-care expectations, procedures and so forth.

I decided to start off by introducing myself in a way that would provide a framework for how I would like each participant to introduce themselves to the group. What followed ended up being a session where participants shared their lives, their background, family, schooling, challenges and the pain of their circumstances up to this point. Almost everyone in the session cried openly and shared deeply.

I decided to have each member take sheets of paper and spend some time just writing and writing about all the things in their past that they would like to let go of and to move past. During that exercise most persons were crying as they wrote – this was a bit of a strange moment because I was really not prepared for this type of reaction. As an experienced facilitator I was really just making up this activity – at the end of that session I asked everyone to read over what they had written, tear the page out, then asked them to tear up what they had written in very small pieces. I then walked around with a bin and collected the now garbage.

I then handed out blank, coloured paper and asked everyone to spend some quiet time and create the future they desire for their lives from this day on. What was created by the participants is nothing short of inspiring and game-changing. I got them laminated and at our next team meeting they were asked to share and introduce themselves in reference to the future they have created.

Corporate Social Responsibility – Continued Commitment

INTRODUCTION

JMMB seeks to give back in a way that helps the individuals and their communities grow – stretching and reaching towards the fulfillment of their dreams. The vision of our Founder Joan Duncan is based on unconditional love and equal respect for all living creatures and so our company's mission statement supports development and the realization of people's potential, serving the community as an extension of the company.

CUMI

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

- JMMB remains the major sponsor for the CUMI programme.

- JMMB's contribution for the financial year 2010-2011 was in the form of monetary donations as well as time.
- The CUMI Rehabilitation Day Centre services, for the period facilitated, 3,768 client visits, averaging 12 per day.
- For the same period there were 4 new intakes [from the hospital and the community]. The meals served [breakfast and lunch] for the same period = 6,195.

The CUMI Day Centre can facilitate a maximum of 25 clients per day. On average most clients attend 3 days per week. Over 1200 clients have completed the rehabilitation programme and of that number, more than 750 have returned to their communities and have found jobs or are otherwise productive citizens.

CUMI CHILDREN'S PROGRAMME

- The CUMI Children's programme is targeted at the children of the mentally ill, who also represent a highly vulnerable group with untapped potential.
- In our twelfth year of operation, the CUMI Children's programme is proud to have its first graduate student at the tertiary level this year. This student sat the Caribbean Advanced Proficiency Examination (CAPE) and received an Honours certificate for her achievement in the law course.



Labour Day 2010: Team members worked on the parish project to help repair the play area at Hartsfield Basic School in St. James.



A JMMB/JFF/UTech Coaching School training session.

- A student, whose parent remains a client in the CUMI Adult programme, entered prior to primary school with a history of mental and physical abuse as well as a learning disorder. The CUMI Children's programme provided her with the necessary physical, emotional and psychological support to accomplish her dream of going to the Edna Manley College of the Visual and Performing Arts where she enters her final year in September 2011. In the past she has donated some of her paintings as prizes for the CUMI Come Run fundraising event.
- One child, whose mother was mentally ill and who was assessed to be mentally retarded and mute upon entry in the programme, started speaking, entered basic school and then moved on to prep and high school. The child eventually attended a prominent high school in Montego Bay, representing his school in athletics, achieving a Bronze medal in the character building Duke of Edinburgh Award Programme and graduating this year having now taken 9 subjects at the CSEC level (four having been passed last academic year at Level II). This is the power of Possibility Thinking.
- Other children in the programme are showing major improvements related to behavior modification and academic progress in schools.

All the financial costs of raising the children and for interventions are taken care of by JMMB.

JMMB/JFF/UTech COACHING SCHOOL

The unifying power of sports is undeniable; it transcends barriers, ignites hope and defines character.

JMMB maintained its strong partnership with the Jamaica Football Federation (JFF) and the University of Technology (UTech) to equip local coaches with the necessary skills and knowledge to in turn offer holistic training to their charges, producing national players of international quality. The impact of these efforts continued to be positive for the year past.

At the national level, greater focus by the JFF has resulted in greater attention being paid to coaching standards in general. This has had a ripple effect, with coaches themselves being forced to improve the standards to which they have become accustomed.

In addition, the support from JMMB has borne fruit, with approximately 400 coaches completing the Advance Level 1 and Advance Level 2 courses. In addition, four cohorts are set to graduate in July 2011.

BRANCHES: LOVE IN ACTION

At JMMB, we encourage employees to be active in the communities within which they operate. Our islandwide branch network consistently supports localized initiatives each year, devoting their time, efforts and financial support to charitable activities. Members of staff have been involved in activities across the areas of sports, health, education and general outreach, extending the dreams of an 'infinite, prosperous and abundant society and universe' to their communities. These are some of the activities/associations which the branch network supported during the course of the year.

Community Development

Montego Bay

The Montego Bay branch supported the Chamber of Commerce in that parish, and also donated to the Mayor's Charity Fund, which is designed to assist inner-city children.

The team continued its association with the Railway Tigers Basketball club as its major sponsor.

There was also participation in the Annual Rotary Club Bikeathon which focused on educational support in the parish of St James.

Ocho Rios

The team in Ocho Rios is an active sponsor of the groups and associations within the community, providing continued support to the St Ann Chamber of Commerce and the St Ann Homecoming Committee.

May Pen

On the South Coast, the May Pen branch gave its support to several groups and initiatives aimed at community development. These included:

- Clarendon Police Division
- Child Development Agency
- Lions Club of Clarendon

The team also supported the Clarendon Crime Prevention Committee's Children's Christmas Treat.

Health

Recognizing the importance of good mental and physical health in achieving one's full potential, JMMB remained committed to assisting communities with undertaking the medical costs which may accompany health challenges.

Portmore

The Christmas Initiative which was undertaken by the Portmore branch involved the donation of books, a mobile book unit and two blood pressure machines to the Children's ward of the Spanish Town Hospital on 23 December 2010. The hospital and children were appreciative of all the gifts, in particular the blood pressure machine, which satisfied an urgent need for the ward.

Santa Cruz

The Santa Cruz team continued its commitment to the St. Elizabeth Care Committee. Throughout the year, the team made ongoing contributions to assist with taking care of the indigent in the parish.

Montego Bay

In a continued thrust to improve the health care facilities within the various parishes across the island, team Montego Bay gave assistance to the Western Medical Association.

Mandeville

Aid was provided to the Mandeville Regional Hospital, through the sponsorship of vital medical equipment.

Education

The root cause of various social issues is a lack of education. With this knowledge, the Group supports activities aimed at providing funding and other resources to the young and vulnerable in society, improving the prospects for their future.

Mandeville

Various initiatives and institutions were supported by the Mandeville branch, including the provision of vouchers for school books at Acorn Bookstore. Assistance was also given at the Northern Caribbean University and the Jamaica Bible College.

The team also worked on the Parish Project to help repair the Hartsfield Basic School in St. James, renovating the play area and supplying and painting a new swing.

Ocho Rios

On the North coast, the team partnered with the Brown's Town Community Colleges' on its fund-raising banquet, aimed at assisting with fulfilling various needs of the educational institutional.

Santa Cruz

Team Santa Cruz supported a student at the Bethlehem Moravian College, providing him with much-needed assistance with his tuition.



TOP LEFT Kayonne Brown of Santa Cruz handing over cordless phone to Inspector Louis Brown of Santa Cruz Police Station.

TOP MIDDLE April Lawful, JMMB Client Relations Officer of the Portmore Branch, participates in the Christmas Initiative at the Mobile Book Unit.

TOP RIGHT Charlyn Burgess, Disbursement Officer at JMMB's Montego Bay Branch presents a cheque to Montego Bay's Mayor His Worship Charles Sinclair towards his Charity Fund.

ABOVE Keith Duncan (centre) engaging the 'Colas' at the YOU Mentor Awards.

MIDDLE RIGHT The Santa Cruz Branch refurbished the Social Studies classroom at the Bethlehem Moravian College. Here proud students display their certificates.

RIGHT Solutions to Smile About: JMMB Group Marketing Manager, Imani Duncan, (right), PSQJ President Joseph M. Matalon (left), Virgilio Barco, Head of Invest in Bogota (centre) PSQJ Vice President and Chairman, PSQJ Economic Committee Nicholas Scott, seem pleased with the possible solutions to attract investment to Jamaica.



SPORTS

Portmore

The Portmore team continued its support of the Rivoli United Netball Club through monetary contributions.

Count Us In: Team Participation in Other Activities

Consistent with our Vision of Love, we extend our support to initiatives spearheaded by the wider society. As such, our team participated in various outreach events during the course of the year.

Sigma Corporate Run

In February, 2011, JMMB team members as well as their families suited up and took part in the 13th annual Pan Caribbean Sigma Corporate Run in Kingston. Overall, there was participation from approximately 100 JMMB representatives. The funds raised from the event were once again used to support the health and welfare of our nation's children, with this year's cause being the Neo Natal Care Unit at the Victoria Jubilee Hospital. Over 14,000 participants were successful in raising over J\$15 million for the hospital.



ABOVE Coaches at the JMMB/JFF/UTECH Coaching school engrossed in their activities.

RIGHT JMMB team members in action at the 2011 Sigma Corporate Run in Kingston. Overall, there was participation from approximately 100 JMMB representatives.



STAR AWARDEE: Shauna Harris of the Pensions Department (left) shares a heartfelt moment with Donna Duncan-Scott after being selected JMMB Star Awardee.



THANKSGIVING: Team members take time out to praise and pray at the Thanksgiving Service.



Keith Duncan raps with Edith Allwood Anderson.



The Business of Football: Veteran financial journalist, Owen James, has the rapt attention of (l-r) Fonia Young of our Knutsford Branch, Claire Grant of TVJ and Patricia Sutherland, Executive Director, Business Operations, at the Football World Cup Media Appreciation Lyme.



JMMB Team

Love. Integrity. Fun. Togetherness



TOP SPORTS DAY: Going for Gold: It was a race to the finish for team members on Sports Day

ABOVE ON A HIGH: Members of the Eagles team celebrate victory on Sports Day.

DOPE BEATBOX, DUDE: The team goes retro on Doubles Day

DOUBLES DAY: 'Soulful' Family?: JMMB team members go back in time – all the way to the 70's – on Retro Doubles Day.

SPEC SPECTACULAR DAY Do You See What I See?: The team puts lots of vision into designing eyewear for 'Spec Spectacular Day



Vision of LOVE

Vision OF LOVE

Jointly created by all JMMB Team Members 1997-1999. It continues to inspire and guide us today 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. Hence the JMMB vision is shared by all team players.

The JMMB Team is clear that the organization is based on UNCONDITIONAL LOVE and MUTUAL RESPECT. This LOVE is expressed in ongoing day to day working relationships and performance. Unconditional love is expressed in every interaction and is the foundation upon which the organization rests. Love motivates the JMMB team to serve our clients who are a very special part of our family. The driving force of the organization is to provide opportunities for team players to expand their potential, to recognize the power within and their ability to fully express and manifest this power to the benefit of the individual, the organization and the society. In the process, all individual and organizational goals are achieved.

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

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

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



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

Team members, therefore, envision JMMB as the premier financial institution of its kind: successful, professionally managed with 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.



Jody Henry is starting to live out her dreams, through the Youth Upliftment Through Employment (Y.U.T.E.) programme. The 24-year old mother of one learnt about the Y.U.T.E. programme at a Citizens' meeting of her Torrington Park neighbourhood near Jones Town in the aftermath of the disturbances of May 2010. Today, Jody is a part of the Y.U.T.E. Works stream in the overall programme.

"It was one of the best things to have happened to me in my life and I am grateful for the opportunity I have been given," said Jody who now works as a Utilities Officer at JMMB.

Her work experiences at JMMB has taught her responsibility and time management skills. "My dream is to become the best and most well-known office administrator in Jamaica. I would also like to own a beauty salon. All the skills I am learning here moves me nearer to the fulfillment of my dreams".

Accountability

Transparency

Integrity

Corporate Governance Principles and Guidelines

Jamaica Money Market Brokers Limited (JMMB) and its subsidiaries (the Company) have adopted these principles and guidelines to direct us in the execution of our responsibilities. This covers the manner in which the business and affairs of the companies in the Group are governed by their respective Boards of Directors and Senior Management which affect how they:

- Set corporate objectives,
- Operate the company's business on a day-to-day basis
- Operate in a safe and sound manner and in compliance with applicable laws and regulations and
- Protect the interests of investors, shareholders, clients and team members

COMPOSITION OF THE BOARD

As per the Articles of the Company the maximum number of directors which the Company can appoint is eleven. Currently, the Board comprises of ten directors: three executive directors and seven non-executive directors, of which five are independent

directors. All directors are competent, knowledgeable and experienced professionals who provide strategic guidance and visionary leadership to the company.

The roles of Chairman and the CEO are separate, in keeping with best practices.

BOARD SUBCOMMITTEES

In accordance with best practices and established principles of corporate governance, the following Subcommittees of the Board were established:

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

Each Subcommittee has at least three Independent Directors and is governed by a charter that outlines its role and responsibilities. The composition of each Committee is below.

BOARD COMPOSITION AND EXPERTISE

BOARD COMPOSITION			BOARD COMMITTEES				
Names	Title	Position	Audit	Risk	HR & Compensation	Credit	Finance
Noel Lyon PhD	Chairman	Non-Executive					
Keith Duncan	Director & CEO	Executive					
Donna Duncan	Director	Executive			Member		
Archibald Campbell	Director	Independent	Chairman	Chairman		Member	Chairman
Ann Crick PhD	Director	Independent			Chairman		
V. Andrew Whyte	Director	Independent	Member	Member		Chairman	Member
Wayne Sutherland	Director	Non-Executive				Member	
Dennis Harris	Director	Independent	Member	Member	Member		Member
Rodger Braham	Director	Independent		Member		Member	
Hugh Duncan	Director	Executive					

BOARD EXPERTISE									
Names	General Management	Financial	Strategic Management	Banking	Corporate Finance	Asset Management	Insurance	Property	Other (state)
Noel Lyon PhD	✓	✓	✓	✓	✓	✓		✓	
Keith Duncan	✓	✓	✓		✓	✓			
Donna Duncan	✓	✓	✓	✓					Leadership Development
Archibald Campbell		✓		✓	✓	✓	✓		
Ann Crick PhD	✓		✓						Human Resources and Client Experience
V. Andrew Whyte		✓	✓	✓	✓	✓			
Wayne Sutherland	✓	✓	✓		✓	✓		✓	
Dennis Harris	✓	✓	✓		✓	✓			
Rodger Braham	✓	✓	✓	✓	✓	✓			

AUDIT

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

Its primary duties and responsibilities include but are not limited to:

- Reviewing and assessing the adequacy of the overall audit programmes and staff of the Internal Auditors. In this regard, ensuring that optimal support is given to the internal audit programmes.
- Holding 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.
- Obtaining executive comments from the management of the Company on working relationships with the auditors.
- Receiving and considering reports from the internal auditors on disaster preparedness, business

continuity and the adequacy of accounting, financial and operating controls, including security of the Company's data processing and computer systems.

The areas of operations that were audited for the financial year ending March 31, 2011 included, accounting function, securities and settlement, retail operations, compliance, information systems, risk, pensions and human resources. No significant issues were identified.

The Board is satisfied that PriceWaterHouseCoopers (PWC) has performed their duties in an objective and transparent manner.

FINANCE

The primary responsibilities of this subcommittee include but are not limited to :

- Reviewing 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;

- Satisfying 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;
- Recommending the appointment of an independent external auditor and their compensation;
- Ensuring the integrity of client and financial accounts;
- Ensuring compliance with regulatory requirements;
- Reviewing and ratifying the financials of the Company and the Group.

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

KPMG was reappointed as the external auditors as the Board is satisfied that the unaudited and audited financials is complete and consistent and conforms with accounting principles.

RISK

This is a standing committee that supports the Board in its oversight of the Company's risk management policies and procedures. The Committee has the authority to view all books and records of the company, and has full access to JMMB's facilities and personnel. It may engage independent counsel and other advisers as it deems necessary. This Committee also has the authority to approve risk policies, subject to Board ratification and is also responsible for ensuring that appropriate policies, procedures and practices are in place for handling the risks to which the company is exposed.

HR AND COMPENSATION

The purpose of the committee is to assist the Board in discharging its duties with regard to the Company's Human Resource Management, ensuring that the HR activities of the Company are consistent with the policies and directives of the Board and to ensure truth, fairness and compliance with the legal requirements of the country and JMMB's vision, mission and values.

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.

CREDIT

This is a standing committee appointed to review the performance of the company's credit business lines and develop strategies for meeting its return objectives. The Committee has the authority to view the books and records of the company required to carry out its duties. Its main responsibilities include:

- Reviewing and approving credit management policies and procedures;
- Evaluating 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\$50M;
- Reviewing the performance and composition of JMMB's Loan and Advances portfolio by sector, maturity term, large individual exposures or any other measure deemed by the Committee as appropriate.

Attendance of Meetings

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.

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 properly addressed and resolved and that there are 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

- maintain open communication with the regulators on all material issues pertaining to the company,

- comply promptly and fully with requests for information as required by law,
- 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.

WAY FORWARD

For the new financial year, the Board will be reviewing the Company's Corporate Governance and the Corporate Disclosure and Communications policies, to ensure that they meet best practices standards.

BOARD OF DIRECTORS AND BOARD COMMITTEE MEETINGS

Number of meetings held for the year		12	5	5	3	3	9
Names	Position	Board	Audit	Risk	HR & Compensation	Credit	Finance
Noel Lyon PhD	Non-Executive	100%					
Keith Duncan	Executive	100%					
Donna Duncan	Executive	60%			100%		
Archibald Campbell	Non-Executive	90%	100%	80%		75%	100%
Ann Crick PhD	Non-Executive	80%			100%		
V. Andrew Whyte	Non-Executive	100%	80%	100%		100%	100%
Wayne Sutherland	Non-Executive	90%				100%	
Dennis Harris	Non-Executive	80%	60%	40% - appointed July 23 2010	100%		60%
Rodger Braham	Non-Executive	90%		100%		100%	
Hugh Duncan	Executive	50%					



Risk Management

SAFEGUARDING STAKEHOLDER INTEREST

Entrenched in JMMB's core philosophies is its commitment to serve its stakeholders and ensure that the Company's fortunes redound to the benefit of its clients, shareholders, employees, and by extension the country and region. Thus, in the pursuit of its mission to be a "dynamic, international, multifaceted institution", JMMB 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.

JMMB GROUP RISK POLICY

FY 2010/11 was a relatively calm year in global and local financial markets. Outside of the Euro zone and the ensuing sovereign debt crises in that region, world economies have largely stabilized, recording notable economic growth during the period. International financial markets also remained stable with largely normal trading and investment activity and more than adequate liquidity. On the local front, the government under the IMF Standby Arrangement has produced notable fiscal results. This has provided a strong undergirding of confidence to local financial markets which saw interest rates decline to and remain at record low levels.

Notwithstanding the significant market stability, JMMB continues to actively manage its risk exposures to ensure it can proactively respond to changing market conditions. In this context, the Company has continued to augment its risk management framework and infrastructure to ensure that it can better manage risks across the entire JMMB Group. In so doing, JMMB is ensuring that it continues to powerfully safeguard the interest of all its stakeholders.

STRONG RISK GOVERNANCE FRAMEWORK

The practice of risk management remains deeply rooted in the JMMB culture – the Board, Executive Management, Team Leaders and team members alike are aware of and aligned in their role and responsibility in risk management. JMMB has also sought to further entrench risk management in the fiber of the organization by better integrating risk management into all business

activities, moving the organization further along in the application of enterprise risk management.

Through its risk management process, JMMB ensures that risk management is not only employed at an operational level, but is also an integral part of the strategic planning process where risk implications are a fundamental consideration in decisions being taken.

JMMB's Board of Directors, assisted by the Board Risk Committee, actively oversees the company's risk exposures. 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 ensure the effectiveness of its 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 and Operational Risk.

RISK MONITORING & MANAGEMENT

Market Risk

Market risk reflects the possibility of a decline in the value of assets due to adverse movements in market factors such as interest rates, foreign exchange rates and equity prices.

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. It is a widely accepted risk metric used to manage market risk and is utilized by major financial firms throughout the world. Stress tests and scenario analysis are employed to help identify risks which VaR analysis may not adequately capture.

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 Company should be able to hedge or dispose of its positions within that period. These values are reported to the management team and Board as a percentage of Economic Capital; an indication of the Company's ability to absorb losses based on adverse market movements.

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

With interest rates having declined significantly throughout FY2009/10 and FY 2010/11, JMMB's perspective is that the market is nearing the bottom of the interest rate cycle. While there are no expectations for rapid upward movements in interest rates, the risks are still skewed toward upward movement in interest rates. In this context, JMMB's strategy has been to focus its investments in the mid-section of the yield curve. This allows the Company to take advantage of higher yields while mitigating the potential duration risk.

JMMB has also 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 FY2010/11, 38% of our J\$ portfolio was held in variable rate securities.

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

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 third-party research. These counterparties are actively monitored and their ratings updated based on changes to their financial outlook.



Liquidity Risk

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, because of 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.

Based on JMMB’s liability profile and business model, the Company’s liquidity risk policy specifies minimum liquidity requirements for the business as well as other guidelines and limits which provide stronger assurance that all obligations can be met even under very stressful market conditions. Key liquidity metrics such as liquidity gap adjusted for modeled reinvestment rates, total available liquidity, liquid assets to total assets and available liquidity by currency are monitored on a frequent basis to ensure that liquidity objectives are achieved.

During FY 2010/11, JMMB continued to improve its liquidity risk framework, having developed a more comprehensive policy in the previous financial year. The improvements focused on enhancing the tools for monitoring the several liquidity risk metrics within the enterprise, automating aspects of the framework and pulling all monitored metrics into a liquidity risk dashboard. A key component of the enhanced framework is the quantification of asset and funding liquidity risk as an input into JMMB’s internal capital adequacy assessment process (ICAAP)

Operational Risk

The possibility of failed internal processes, system error, human error and dislocation due to external events, give rise to operational risk.

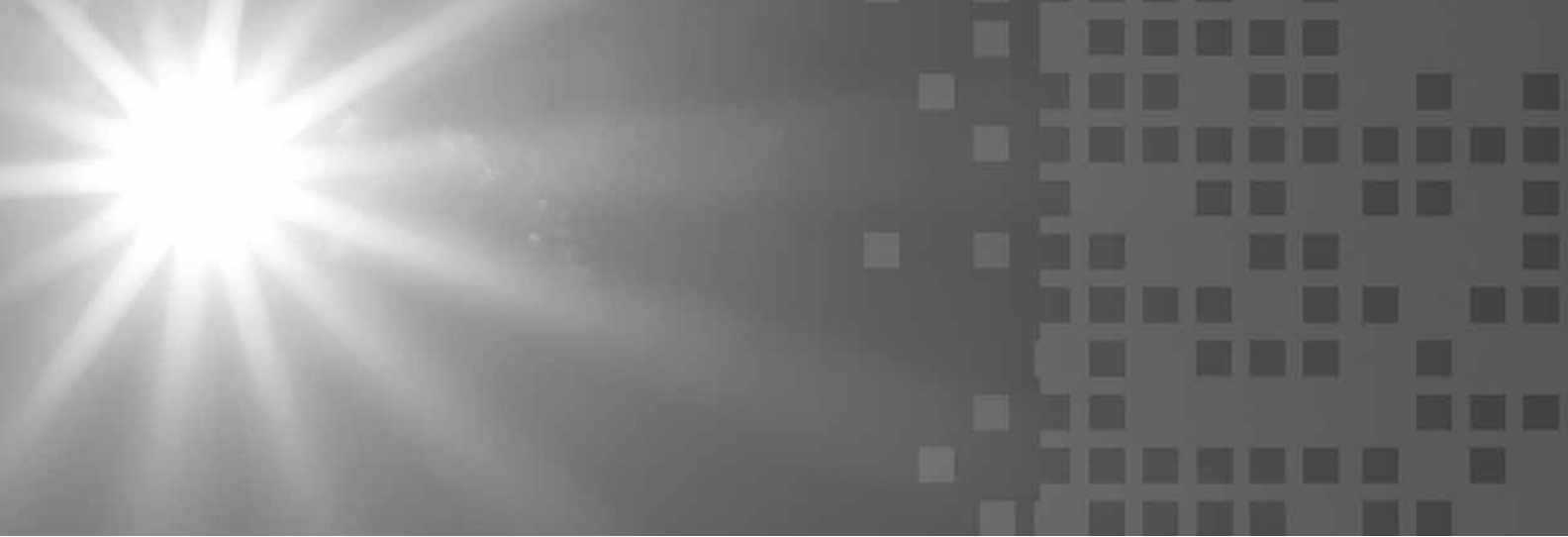
In order to mitigate such risks the Board and wider Senior Management Team have overseen the implementation of suitable controls for internal processes and systems, mandated the segregation of certain duties and established comprehensive business continuity plans to safeguard against disasters. A rigorous and independent internal auditing framework exists to ensure that significant risks are properly identified and adequately managed. JMMB’s internal auditors and PricewaterhouseCoopers conduct regular audits and provide quarterly reports to the Board Audit Subcommittee. 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 the Company’s 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 its increased emphasis on credit as well as its 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 its expertise, as key components in reinforcing one of the Caribbean’s leading indigenous financial institutions.



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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 financial statements of Jamaica Money Market Brokers Limited (the company) and the consolidated financial statements of the company and its subsidiaries (the group), set out on pages 89 to 165, which comprise the group and company statement of financial position as at 31 March 2011, and the group and company profit and loss accounts, statements of comprehensive income, changes in equity and cash flows for the year then ended, and note comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and the Jamaican Companies Act, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these 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 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 our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

KPMG, a Jamaican partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG network ("KPMG network"), a Swiss entity.

Joseph A. Jones,
Cave A. Patten
& Tait-McCann
Firms A. Orr
Rochelle D. Oakeshott

Shirley J. Marshall,
Sybil L. Lawrence
Rae Taitan
Nancy G. Thelwell
Serge A. Chantrel



**To the Members of
JAMAICA MONEY MARKET BROKERS LIMITED**

Report on the Financial Statements, cont'd

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the group and the company as of 31 March 2011, and of the group's and company's financial performance, changes in equity and cash flows for the year then ended, so far as concerns the members of the company, in accordance with International Financial Reporting Standards and the Jamaican Companies Act.

Report on additional matters as required by the Jamaican Companies Act

We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit. In our opinion, proper accounting records have been maintained and the financial statements, which are in agreement therewith, give the information required by the Jamaican Companies Act in the manner required.

Chartered Accountants
Kingston, Jamaica

May 30, 2011

		2011	2010
	Note	\$'000	\$'000
Net Interest Income and Other Revenue			
Interest income	5	8,813,920	12,204,029
Interest expense	5	(6,294,878)	(10,301,514)
Net interest income		2,519,042	1,902,515
Fees and commission income		114,543	73,798
Gains on securities trading, net		1,232,391	961,532
Fees earned on managing funds on behalf of clients		50,425	50,851
Foreign exchange margins from cambio trading		156,683	106,982
Operating revenue net of interest expense		4,073,084	3,095,678
Other income			
Dividends		19,314	15,315
Gains on sale of property, plant and equipment		7,101	327
		4,099,499	3,111,320
Operating Expenses			
Staff costs	6	(1,259,065)	(1,009,616)
Other expenses		(1,326,884)	(1,099,512)
		(2,585,949)	(2,109,128)
Operating Profit		1,513,550	1,002,192
Impairment loss on financial assets	7	(28,242)	-
Share of profits of associated companies (net of tax)		24,327	26,120
Profit before Taxation	8	1,509,635	1,028,312
Taxation	9	(366,705)	(41,934)
Profit for the Year		1,142,930	986,378
Attributable to:			
Equity holders of the parent		1,116,272	983,157
Non-controlling interest		26,658	3,221
		1,142,930	986,378
Earning per stock unit	10	0.76	0.67

The notes on pages 102 to 165 are an integral part of these financial statements

Consolidated Statement of Comprehensive Income

31 MARCH 2011

(expressed in Jamaican dollars unless otherwise indicated)

	2011 \$'000	2010 \$'000
Profit for the Year	1,142,930	986,378
Other comprehensive income		
Unrealised gains on available-for-sale investments	1,889,131	855,578
Gains reclassified and reported in profit	<u>(344,726)</u>	<u>(127,998)</u>
	<u>1,544,405</u>	<u>727,580</u>
Foreign exchange translation differences	<u>29,134</u>	<u>25,570</u>
Total other comprehensive income, net of taxes	<u>1,573,539</u>	<u>753,150</u>
Total comprehensive income for year, net of tax	<u>2,716,469</u>	<u>1,739,528</u>
Total comprehensive income attributable to:		
Equity holders of the parent	2,689,811	1,729,933
Non-controlling interest	<u>26,658</u>	<u>9,595</u>
	<u>2,716,469</u>	<u>1,739,528</u>

The notes on pages 102 to 165 are an integral part of these financial statements

Consolidated Statement of Financial Position

31 MARCH 2011

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2011 \$'000	2010 \$'000
ASSETS			
Cash and cash equivalents	12	3,317,057	3,643,532
Interest receivable		1,760,130	2,656,184
Income tax recoverable		1,235,689	1,277,889
Loans and notes receivable	13	3,445,800	3,639,894
Other receivables	14	2,139,992	2,627,877
Securities purchased under agreements to resell	15	679,234	2,473,540
Investment securities	16	98,233,393	104,887,535
Membership share	17	19,520	19,520
Investment properties	19	457,591	-
Interest in associated companies	20	643,137	631,932
Intangible assets	21	77,788	83,512
Property, plant and equipment	22	991,427	1,007,805
Deferred income tax assets	23	<u>18,300</u>	<u>26,150</u>
		<u>113,019,058</u>	<u>122,975,370</u>

The notes on pages 102 to 165 are an integral part of these financial statements

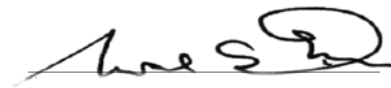
Consolidated Statement of Financial Position (CONT.)

31 MARCH 2011

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2011 \$'000	2010 \$'000
STOCKHOLDERS' EQUITY			
Share capital	24	365,847	365,847
Share premium		13,775	13,775
Investment revaluation reserve		719,185	(825,220)
Cumulative translation reserve		20,432	(8,702)
Other reserves	25	13,672	13,672
Retained earnings		<u>8,212,255</u>	<u>7,300,857</u>
		9,345,166	6,860,229
Non-controlling interest		<u>57,165</u>	<u>30,507</u>
		<u>9,402,331</u>	<u>6,890,736</u>
LIABILITIES			
Securities sold under agreements to repurchase	26	97,068,266	102,844,985
Notes payable	27	623,873	648,650
Loans payable	28	-	7,043,932
Redeemable preference shares	24	2,924,994	2,690,085
Deferred income tax liabilities	23	1,157,747	278,902
Interest payable		922,493	1,473,460
Income tax payable		322,457	593,576
Payables		<u>596,897</u>	<u>511,044</u>
		<u>103,616,727</u>	<u>116,084,634</u>
		<u>113,019,058</u>	<u>122,975,370</u>

Approved for issue by the Board of Directors on 30 May 2011 and signed on its behalf by:


Noel A. Lyon
Chairman


Keith P. Duncan
Group Chief Executive Officer

The notes on pages 102 to 165 are an integral part of these financial statements

Consolidated Statement of Changes in Stockholders' Equity

31 MARCH 2011

(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	Attributable to Equity holders of the Parent \$'000	Non-Controlling Interest \$'000	Total \$'000
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
Profit for the year		-	-	-	-	-	983,157	983,157	3,221	986,378
Other comprehensive income for 2010		-	-	727,580	19,196	-	-	746,776	6,374	753,150
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	11	-	-	-	-	-	(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
Profit for the year		-	-	-	-	-	1,116,272	1,116,272	26,658	1,142,930
Other comprehensive income for 2011		-	-	1,544,405	29,134	-	-	1,573,539	-	1,573,539
Total comprehensive income for 2011		-	-	1,544,405	29,134	-	1,116,272	2,689,811	26,658	2,716,469
Dividends	11	-	-	-	-	-	(204,874)	(204,874)	-	(204,874)
Balances at 31 March 2011		365,847	13,775	719,185	20,432	13,672	8,212,255	9,345,166	57,165	9,402,331

The notes on pages 102 to 165 are an integral part of these financial statements

Consolidated Statement of Cash Flows

31 MARCH 2011

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2011 \$'000	2010 \$'000
Cash Flows from Operating Activities			
Profit for the year		1,142,930	986,378
Adjustments for:			
Interest income	5	(8,813,920)	(12,204,029)
Interest expense	5	6,294,878	10,301,514
Income tax charge	9	366,705	41,934
Share of profits of associated companies		(24,327)	(26,120)
Provision for credit losses		108,452	23,441
Impairment of financial assets		28,242	-
Amortisation of intangible assets	21	23,720	28,348
Depreciation of property, plant and equipment	22	85,849	83,249
Gains on disposal of property, plant and equipment		(7,101)	(330)
Foreign currency translation loss/(gains)		<u>432,986</u>	<u>(916,926)</u>
		(361,586)	(1,682,541)
Changes in operating assets and liabilities -			
Income tax recoverable, net		(551,376)	(394,842)
Notes receivable		85,642	(214,205)
Other receivables		487,885	(496,471)
Payables		85,853	(4,757)
Securities purchased under agreements to resell		1,794,306	(1,018,385)
Securities sold under agreements to repurchase		<u>(5,776,719)</u>	<u>12,733,987</u>
		(4,235,995)	8,922,786
Interest received		9,709,974	12,411,696
Interest paid		<u>(6,845,845)</u>	<u>(10,330,577)</u>
Net cash (used in)/provided by operating activities (Page 95)		<u>(1,371,866)</u>	<u>11,003,905</u>

The notes on pages 102 to 165 are an integral part of these financial statements

Consolidated Statement of Cash Flows (CONT.)

31 MARCH 2011

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2011 \$'000	2010 \$'000
Cash Flows from Operating Activities (Page 94)		<u>(1,371,866)</u>	<u>11,003,905</u>
Cash Flows from Investing Activities			
Investment securities, net		8,711,930	(6,950,165)
Purchase of computer software	21	(18,317)	(15,455)
Purchase of property, plant and equipment	22	(125,207)	(104,323)
Proceeds from disposal of property, plant and equipment		13,586	9,679
Purchase of investment properties		<u>(408,903)</u>	<u>-</u>
Net cash provided by/(used in) investing activities		<u>8,173,089</u>	<u>(7,060,264)</u>
Cash Flows from Financing Activities			
Proceeds from issue of preference of redeemable shares		2,759,346	-
Repayment of redeemable preference shares		(2,524,437)	-
Notes payable		(24,777)	(432,754)
Loans payable		(7,043,932)	(2,205,379)
Dividends paid	11	<u>(204,874)</u>	<u>(175,606)</u>
Net cash used in financing activities		<u>(7,038,674)</u>	<u>(2,813,739)</u>
Effect of exchange rate changes on cash and cash equivalents		<u>(89,024)</u>	<u>83,373</u>
Net (decrease)/increase in cash and cash equivalents		(326,475)	1,213,275
Cash and cash equivalents at beginning of year		<u>3,643,532</u>	<u>2,430,257</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	12	<u>3,317,057</u>	<u>3,643,532</u>

The notes on pages 102 to 165 are an integral part of these financial statements

Profit and Loss Account

31 MARCH 2011

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2011 \$'000	2010 \$'000
Net Interest Income and Other Revenue			
Interest income from securities	5	8,098,778	11,442,000
Interest expense	5	<u>(5,684,072)</u>	<u>(9,314,770)</u>
Net interest income		2,414,706	2,127,230
Fees and commission income		52,283	44,843
Gains on securities trading, net		1,193,758	881,127
Fees earned on managing funds on behalf of clients		50,425	42,733
Foreign exchange margins from cambio trading		<u>156,713</u>	<u>106,982</u>
Operating revenue net of interest expense		3,867,885	3,202,915
Other income			
Dividends		16,477	14,378
Gain on sale of property plant and equipment		<u>984</u>	<u>327</u>
		<u>3,885,346</u>	<u>3,217,620</u>
Operating Expenses			
Staff costs	6	(1,120,030)	(894,302)
Other expenses		<u>(1,148,214)</u>	<u>(1,006,660)</u>
		<u>(2,268,244)</u>	<u>(1,900,962)</u>
Operating Profit		1,617,102	1,316,658
Impairment loss on financial assets	7	<u>(28,242)</u>	<u>-</u>
Profit before Taxation	8	1,588,860	1,316,658
Taxation	9	<u>(359,359)</u>	<u>(49,746)</u>
Profit for the Year		<u>1,229,501</u>	<u>1,266,912</u>

The notes on pages 102 to 165 are an integral part of these financial statements

Statement of Comprehensive Income

31 MARCH 2011

(expressed in Jamaican dollars unless otherwise indicated)

	2011 \$'000	2010 \$'000
Profit for the Year	1,229,501	1,266,912
Other comprehensive income		
Unrealised gains on available-for-sale investments	1,977,913	463,417
Gains reclassified and reported in profits	<u>(344,726)</u>	<u>(127,998)</u>
	<u>1,633,187</u>	<u>335,419</u>
Total comprehensive income for year, net of tax	<u>2,862,688</u>	<u>1,602,331</u>

The notes on pages 102 to 165 are an integral part of these financial statements

Statement of Financial Position

31 MARCH 2011

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2011 \$'000	2010 \$'000
ASSETS			
Cash and cash equivalents	12	2,789,476	2,497,273
Interest receivable		1,251,156	2,241,759
Income tax recoverable		1,219,465	1,264,782
Loans and notes receivable	13	2,915,750	3,072,692
Other receivables	14	1,573,535	1,539,468
Securities purchased under agreements to resell	15	16,506,112	18,258,899
Investments	16	77,473,624	83,241,305
Interest in subsidiaries	18	1,165,490	1,153,490
Intangible assets	21	61,144	64,989
Property, plant and equipment	22	<u>912,790</u>	<u>888,446</u>
		<u>105,868,542</u>	<u>114,223,103</u>
STOCKHOLDERS' EQUITY			
Share capital	24	365,847	365,847
Share premium		13,775	13,775
Investment revaluation reserve		1,225,539	(407,648)
Retained earnings		<u>10,689,485</u>	<u>9,664,858</u>
		<u>12,294,646</u>	<u>9,636,832</u>
LIABILITIES			
Securities sold under agreements to repurchase	26	88,012,547	91,763,695
Notes payable	27	74,128	561,110
Loans payable	28	-	7,043,932
Redeemable preference shares	24	2,924,994	2,690,085
Deferred income tax liabilities	23	1,157,747	278,902
Interest payable		852,686	1,409,090
Income tax payable		322,457	593,576
Payables		<u>229,337</u>	<u>245,881</u>
		<u>93,573,896</u>	<u>104,586,271</u>
		<u>105,868,542</u>	<u>114,223,103</u>

Approved for issue by the Board of Directors on 30 May 2011 and signed on its behalf by:

Noel A. Lyon

Chairman

Keith P. Duncan

Group Chief Executive Officer

The notes on pages 102 to 165 are an integral part of these financial statements

Statement of Changes in Stockholders' Equity

31 MARCH 2011

(expressed in Jamaican dollars unless otherwise indicated)

	Note	Share Capital \$'000	Share Premium \$'000	Investment Revaluation Reserve \$'000	Retained Earnings \$'000	Total \$'000
Balances at 31 March 2009						
		365,847	13,775	(743,067)	8,573,552	8,210,107
Profit for year		-	-	-	1,266,912	1,266,912
Other comprehensive income for 2010		-	-	335,419	-	335,419
Total comprehensive income for 2010		-	-	335,419	1,266,912	1,602,331
Dividends	11	-	-	-	(175,606)	(175,606)
Balances at 31 March 2010						
		365,847	13,775	(407,648)	9,664,858	9,636,832
Profit for year		-	-	-	1,229,501	1,229,501
Other comprehensive income for 2011		-	-	1,633,187	-	1,633,187
		-	-	1,633,187	1,229,501	2,862,688
Dividends	11	-	-	-	(204,874)	(204,874)
Balances at 31 March 2011						
		<u>365,847</u>	<u>13,775</u>	<u>1,225,539</u>	<u>10,689,485</u>	<u>12,294,646</u>

The notes on pages 102 to 165 are an integral part of these financial statements

Statement of Cash Flows

31 MARCH 2011

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2011 \$'000	2010 \$'000
Cash Flows from Operating Activities			
Profit for the year		1,229,501	1,266,912
Adjustments for:			
Interest income	5	(8,098,778)	(11,442,000)
Interest expense	5	5,684,072	9,314,770
Income tax charge	9	359,359	49,746
Provision for credit losses		108,452	23,441
Impairment loss of financial assets		28,242	-
Amortisation of intangible assets	21	22,162	26,255
Depreciation of property, plant and equipment	22	80,528	77,860
Gains on disposal of property, plant and equipment		(984)	(330)
Foreign currency translation loss/(gains)		<u>432,986</u>	<u>(916,926)</u>
		(154,460)	(1,600,272)
Changes in operating assets and liabilities -			
Income tax recoverable, net		(548,259)	(388,944)
Notes receivable		48,490	(165,034)
Other receivables		(54,067)	(447,414)
Payables		(16,544)	(31,786)
Securities purchased under agreements to resell		1,752,787	1,291,201
Securities sold under agreements to repurchase		<u>(3,751,148)</u>	<u>9,175,430</u>
		(2,723,201)	7,833,181
Interest received		9,089,381	11,595,432
Interest paid		<u>(6,240,476)</u>	<u>(9,337,236)</u>
Net cash provided by operating activities (Page 101)		<u>125,704</u>	<u>10,091,377</u>

The notes on pages 102 to 165 are an integral part of these financial statements

Statement of Cash Flows (CONT.)

31 MARCH 2011

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2011 \$'000	2010 \$'000
Cash Flows from Operating Activities (Page 100)		<u>125,704</u>	<u>10,091,377</u>
Cash Flows from Investing Activities			
Investment securities, net		7,870,607	(6,344,251)
Interest in subsidiary		8,000	(108,674)
Purchase of computer software	21	(18,317)	(15,365)
Purchase of property, plant and equipment	22	(104,940)	(67,719)
Proceeds from disposal of property, plant and equipment		<u>1,052</u>	<u>8,419</u>
Net cash provided by/(used in) investing activities		<u>7,756,402</u>	<u>(6,527,590)</u>
Cash Flows from Financing Activities			
Proceeds from issue of preference shares		2,759,346	-
Repayment of redeemable preference shares		(2,524,437)	-
Notes payable		(486,982)	(322,390)
Loans payable		(7,043,932)	(2,205,379)
Dividends paid	11	<u>(204,874)</u>	<u>(175,606)</u>
Net cash used in financing activities		<u>(7,500,879)</u>	<u>(2,703,375)</u>
Effect of exchange rate changes on cash and cash equivalents		<u>(89,024)</u>	<u>83,373</u>
Net increase in cash and cash equivalents		292,203	943,785
Cash and cash equivalents at beginning of year		<u>2,497,273</u>	<u>1,553,488</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	12	<u>2,789,476</u>	<u>2,497,273</u>

The notes on pages 102 to 165 are an integral part of these financial statements

1. Identification

Jamaica Money Market Brokers Limited (the “company”) is incorporated and domiciled in Jamaica. The registered office of the company is located at 6 Haughton Terrace, Kingston 10, Jamaica. It has 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 interest 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 JMMB BDI AMERICA		100 80	Dominican Republic Dominican Republic	Investment holding and management Stock brokering
JMMB Real Estate Holdings Limited	100		Jamaica	Property rental and development
JMMB Holdings Limited	100		St. Lucia	Investment holding

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) and the relevant provisions of the Jamaican Companies Act. These consolidated financial statements have been prepared under the historical cost basis except for 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 that became effective during the year that are relevant to the Group’s operations:

Certain new and revised standards and interpretations which were in issue, came into effect for the current financial year, as follows:

- Revised IFRS 3, Business Combinations, and Amended IAS 27, Consolidated and Separate Financial Statements, amended the definition of business combination and focuses on control. All items of consideration transferred by the acquirer are measured and recognised at fair value as of the acquisition date, including contingent consideration. An acquirer can elect to measure non-controlling interest at fair value at the acquisition date or on a transaction by transaction basis. New disclosure requirements were introduced. The standard did not have a significant impact on the Group’s financial statements.

New standards, interpretations of, and amendments to, existing standards that were issued but not yet effective and have not been early adopted by the Group

The following standards, interpretations of, and amendments to, existing standards have been published and management considers that they may be relevant to the Group’s operations when they become effective:

- IFRS 9, Financial Instruments (2009), is effective for annual reporting periods beginning on or after January 1, 2013. The standard retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortised cost and fair value. The Group is assessing the impact, if any, that the standard will have on the 2014 financial statements.
- IAS 24, Related Party Disclosure, revised (effective January 1, 2011) introduces changes to the related party disclosure requirements for government-related entities and amends the definition of a related party. The standard also expands the list of transactions that require disclosure. The Group is assessing the impact, if any, the amendment will have on the 2012 financial statements.

2. Summary of Significant Accounting Policies (Continued)

(a) Basis of preparation (continued)

New standards, interpretations of, and amendments to, existing standards that were issued but not yet effective and have not been early adopted by the Group (continued)

- Disclosures – Transfer of Financial Assets (Amendments to IFRS 7) is effective for accounting periods beginning on or after July 1, 2011. The amendment requires disclosure of information that enable users of financial statements to understand the relationship between transferred financial assets that are not derecognized in their entirety and the associated liabilities and to evaluate the nature of and risks associated with, the entity's continuing involvement in these derecognized assets. The Group is assessing the impact, if any, the amendment will have on the 2013 financial statements.
- IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments is effective for accounting periods beginning on or after July 1, 2010. It addresses the accounting by the debtor in a debt for equity swap transaction and specifically how the entity should measure the equity instruments issued to extinguish a financial liability. The Group is assessing the impact that the standard will have on its 2012 financial statements.
- IFRS 9, Financial Instruments (2010). The revised IFRS supersedes the previous version of IFRS 9 issued in 2009 and is effective for accounting periods beginning on or after January 1, 2013. The revised standard now includes guidance on classification and measurement of financial liabilities designated as fair value through profit or loss and incorporates certain existing requirements of IAS 39 Financial Instruments: Recognition and Measurement on the recognition and de-recognition of financial assets and financial liabilities. The Group is assessing the impact that the standard will have on the 2014 financial statements.
- Improvements to IFRS 2010 contain amendments to six standards and to one interpretation and are effective for accounting periods beginning on or after July 1, 2010 or January 1, 2011. The main applicable amendments are as follows:
 - IFRS 3 Business Combinations is amended to state that contingent consideration arising in a business combination that had been accounted for in accordance with IFRS 3 (2004) that has been settled or otherwise resolved at the effective date of IFRS 3 (2008) continues to be accounted for in accordance with IFRS 3 (2004). IFRS 3 has also been amended to limit the accounting policy choice to measure non-controlling interests (NCI) upon initial recognition either at fair value or at the NCI's proportionate share of the acquiree's identifiable net assets to instruments that give rise to a present ownership interest and entitle the holder to a share of net assets in the event of liquidation. IFRS 3 was also amended to provide guidance on unreplaced and voluntary replaced share-based payment awards. The amendments are effective for accounting periods beginning on or after July 1, 2010.
 - IFRS 7 Financial Instruments: Disclosures – The standard is amended to add an explicit statement that the interaction between qualitative and quantitative disclosures better enables users to evaluate an entity's exposure to risks arising from financial statements. Existing disclosures relating to maximum exposure to credit risk, financial effect of collateral held as security and other enhancements in respect of a financial instrument have been amended. Certain disclosures relating to carrying amount of financial assets that are not past due or are not impaired as a result of their terms having been renegotiated and description of collateral held as security for financial assets that are past due have been removed. The amendment is effective for accounting periods beginning on or after January 1, 2011.

2. Summary of Significant Accounting Policies (Continued)

(a) Basis of preparation (continued)

New standards, interpretations of, and amendments to, existing standards that were issued but not yet effective and have not been early adopted by the Group (continued)

- IAS 1 Presentation of Financial Statements – IAS 1 is amended to state that for each component of equity a reconciliation from opening to closing balances is required to be presented in the statement of changes in equity, showing separately changes arising from items recognized in profit or loss, in other comprehensive income and from transactions with owners acting in their capacity as owners. The amendment is effective for accounting periods beginning on or after January 1, 2011.
- IAS 27 Consolidated and Separate Financial Statements – The amendments added guidance about disposals of all or part of a foreign operation and about accounting for a loss of significant influence or joint control. The amendments are effective for accounting periods beginning on or after July 1, 2010.
- IAS 34 Interim Financial Reporting – the amendment has resulted in the addition of a number of examples of events or transactions that require disclosure. The amendment is effective for accounting periods beginning on or after January 1, 2011.
- IFRIC 13 Customer Loyalty Programmes – The terminology used in respect of the values of awards and award credits in a customer loyalty programme is amended. The interpretation as amended, now states that the fair value of award credits takes into account the amount of discounts or incentives that otherwise would be offered to customers that have not earned the award credits. The amendment is effective for accounting periods beginning on or after January 1, 2011.

The Group is assessing the impact, if any, that these amendments would have on the 2011 and 2012 financial statements.

- IFRS 10 Consolidated Financial Statements (effective from January 1, 2013) supersedes IAS 27 Consolidated and Separate Financial Statements and provides a single model to be applied in the control analysis for all investees, including entities that currently are Special Purpose Entities. The consolidation procedures are carried forward from IAS 27 (2008). The Group is assessing the impact that this standard will have in its 2014 financial statements.
- IFRS 11 Joint Arrangements and IAS 28 Investments in Associates and Joint Ventures (2011) (effective from January 1, 2013) removes from IAS 31 Jointly Controlled Entities, those cases which although there is a separate vehicle, that separation is ineffective in certain ways. These arrangements are treated similarly to jointly controlled assets/operations and are now called joint operations. In addition, there is no longer a free choice of equity accounting or proportionate consolidation as it is now required that the equity method be used. The Group is assessing the impact that this new standard and amendments will have in its 2014 financial statements.
- IFRS 12 Disclosure of Interest in Other Entities (effective from January 1, 2013) contains disclosure requirements for entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. These required disclosures aim to provide information to enable users to evaluate the nature of, and risks associated with, an entity's interests in other entities and the effects of those interests on the entity's financial position, financial performance and cash flows. The Group is assessing the impact that this standard will have in its 2014 financial statements.

2. Summary of Significant Accounting Policies (Continued)

(a) Basis of preparation (continued)

New standards, interpretations of, and amendments to, existing standards that were issued but not yet effective and have not been early adopted by the Group (continued)

- IFRS 13 Fair Value Measurement defines fair value, establishes a framework for measuring fair value and sets out disclosure requirements for fair value measurements. It explains how to measure fair value and is applicable to assets, liabilities and an entity's own equity instruments that, under other IFRSs, are required or permitted to be measured at fair value or when disclosure of fair values is provided. It does not introduce new fair value measurements, nor does it eliminate the practicability exceptions to fair value measurements that currently exist in certain standards. The standard is effective for annual periods beginning on or after 1 January 2013. The group is assessing the impact that this standard will have in its 2014 financial statements.

(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.

2. Summary of Significant Accounting Policies (Continued)

(c) Financial instruments

General

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.

For the purposes of the financial statements, financial assets have been determined to include cash and cash equivalents, loans and notes receivable, other receivables, securities purchased under agreements to resell and investments. Financial liabilities comprises securities sold under agreements to repurchase, notes payable, loans payable, payables 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.

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 risks 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.

2. Summary of Significant Accounting Policies (Continued)

(c) Financial instruments (continued)

Financial Instrument	Method
Cash and cash equivalents, 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.
Loans and notes receivable	Considered to be carrying value as the coupon rate approximates the market rate.
Notes and loans payable	Considered to be carrying value as the coupon rate approximates the market rate.

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-for-sale and are carried at fair value except for unquoted equity securities whose fair value cannot be reliably measured, which are carried at cost. Changes therein, other than impairment losses [Note 2(i)], and foreign exchange gains and losses on available-for-sale monetary items [see note 2(f)], are recognised in other comprehensive income and reflected in investment revaluation reserve 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.

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% per annum, from the date it is available for use.

(ii) Goodwill

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

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 other comprehensive income.

Translation differences on non-monetary items, such as equities classified as available-for-sale financial assets, are included in other comprehensive income and reflected in investment valuation 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.

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 other comprehensive income and there is objective evidence that the asset is impaired, the cumulative loss that had been recognised directly in other comprehensive income 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.

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 other comprehensive income. 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-employment 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.

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. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is the Board of Directors.

(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) Investment properties

Investment properties are held for rental yields and fair value gains and is not occupied by the Group. Investment properties are treated as a long-term investment and is carried at fair value, representing open market value determined annually by the directors or by independent valuers. Changes in fair values are recognised in the profit or loss. Rental income from investment properties is recognised in the profit and loss on a straight line basis over the tenor of the lease.

(s) Comparative information

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

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 2011
(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 2011				
	Jamaica	St. Lucia	Other	Eliminations	Group
	\$'000	\$'000	\$'000	\$'000	\$'000
External revenues	8,652,653	1,741,724	-	-	10,394,377
Inter-segment revenue	987,755	-	-	(987,755)	-
Total segment revenue	9,640,408	1,741,724	-	(987,755)	10,394,377
Segment results	1,632,373	(118,298)	(525)	-	1,513,550
Impairment loss on financial assets					(28,242)
Share of associated company profit					24,327
Profit before tax					1,509,635
Income tax expense					(366,705)
Profit for the year					1,142,930
Total segment assets	106,971,218	23,413,041	647,109	(18,012,310)	113,019,058
Total segment liabilities	94,536,525	25,929,021	531,633	(17,380,452)	103,616,727
Interest income	8,237,298	1,689,684	-	-	9,926,982
Operating expenses	2,323,325	262,099	525	-	2,585,949
Depreciation and amortisation	106,850	2,719	-	-	109,569
Capital expenditure	123,257	20,267	-	-	143,524

Notes to the Financial Statements

31 MARCH 2011
(expressed in Jamaican dollars unless otherwise indicated)

4. Segment Reporting (Continued)

	The Group				
	Year ended 31 March 2010				
	Jamaica	St. Lucia	Other	Eliminations	Group
	\$'000	\$'000	\$'000	\$'000	\$'000
External revenues	11,697,747	1,714,938	149	-	13,412,834
Inter-segment revenue	893,503	-	-	(893,503)	-
Total segment revenue	12,591,250	1,714,938	149	(893,503)	13,412,834
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

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(expressed in Jamaican dollars unless otherwise indicated)

5. Net Interest Income

	The Group		The Company	
	2011	2010	2011	2010
	\$'000	\$'000	\$'000	\$'000
Interest income				
Cash and cash equivalents	13,283	23,394	13,283	23,394
Loans and notes receivable	458,449	226,799	421,597	205,357
Resale agreements	690,334	1,234,057	690,334	1,234,057
Investment securities	<u>7,651,854</u>	<u>10,719,779</u>	<u>6,973,564</u>	<u>9,979,192*</u>
Total interest income	<u>8,813,920</u>	<u>12,204,029</u>	<u>8,098,778</u>	<u>11,442,000*</u>
Interest expense				
Repurchase agreements	5,885,900	9,516,534	5,275,731	8,531,274*
Notes payable	21,037	89,985	21,037	89,985
Loans payable	75,090	366,156	74,453	364,672
Redeemable preference shares	<u>312,851</u>	<u>328,839</u>	<u>312,851</u>	<u>328,839</u>
Total interest expense	<u>6,294,878</u>	<u>10,301,514</u>	<u>5,684,072</u>	<u>9,314,770*</u>
Net interest income	<u>2,519,042</u>	<u>1,902,515</u>	<u>2,414,706</u>	<u>2,127,230</u>
Total interest income on financial assets				
not at fair value through profit or loss	<u>8,813,820</u>	<u>12,073,036</u>	<u>8,098,778</u>	<u>11,311,007</u>

* Interest income and interest expense amounting to \$1,298,651,000 has been restated for prior year to eliminate inter-segment revenue. There is no impact on net interest income.

6. Staff Costs

	The Group		The Company	
	2011	2010	2011	2010
	\$'000	\$'000	\$'000	\$'000
Salaries and benefits, including				
profit-related pay	1,046,924	809,342	920,155	703,133
Statutory contributions	83,453	66,430	77,570	63,878
Pension costs	34,419	31,367	33,328	28,810
Training and development	27,683	18,685	23,176	15,469
Staff welfare	<u>66,586</u>	<u>83,792</u>	<u>65,801</u>	<u>83,012</u>
	<u>1,259,065</u>	<u>1,009,616</u>	<u>1,120,030</u>	<u>894,302</u>

Notes to the Financial Statements

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7. Impairment Loss on Financial Assets

The impairment charge was for a provision on certain of the Group's investment in its equity portfolio.

8. Profit before taxation

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

	The Group		The Company	
	2011	2010	2011	2010
	\$'000	\$'000	\$'000	\$'000
Depreciation and amortisation	109,569	111,597	102,690	104,115
Directors' emoluments-				
Fees	31,513	28,674	25,895	22,309
Management remuneration	32,824	31,293	32,824	31,293
Auditors' remuneration	18,100	16,800	9,600	8,900
Bad debts, less recoveries	108,452	23,441	108,452	23,441
Net (gains)/losses on financial assets				
classified at fair value through profit or loss	<u>3,986</u>	<u>(37,449)</u>	<u>2,145</u>	<u>(28,751)</u>

Notes to the Financial Statements

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9. Taxation

(a) Income tax is computed on the profit for the years adjusted for tax purposes. The charge for taxation comprises income tax at 33½%:

	The Group		The Company	
	2011	2010	2011	2010
	\$'000	\$'000	\$'000	\$'000
1% of assets – current year	22	-	-	-
Current income tax	322,457	-	322,457	-
Deferred income tax (Note 23)	<u>44,226</u>	<u>41,934</u>	<u>36,902</u>	<u>49,746</u>
	<u>366,705</u>	<u>41,934</u>	<u>359,359</u>	<u>49,746</u>

(b) The tax on profit differs from the theoretical amount that would arise using the statutory rate of 33½% as follows:

	The Group		The Company	
	2011	2010	2011	2010
	\$'000	\$'000	\$'000	\$'000
Profit before taxation	<u>1,509,635</u>	<u>1,028,312</u>	<u>1,588,860</u>	<u>1,316,658</u>
Tax calculated at 33½%	503,212	342,771	529,620	438,886
Adjusted for the effects of:				
Income not subject to tax	(191,633)	(363,167)	(191,633)	(363,086)
Disallowed expenses	114	9,018	-	8,860
Effect of lower tax rate on				
associated company share of profits	(4,803)	(8,706)	-	-
Adjustment to prior year estimate	<u>59,815</u>	<u>62,018</u>	<u>21,372</u>	<u>(34,914)</u>
	<u>366,705</u>	<u>41,934</u>	<u>359,359</u>	<u>49,746</u>

(c) At the reporting 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 \$3,076,919,000 (2010: \$4,953,223,000) for the Group and \$Nil (2010: \$1,532,201,000) for the company.

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10. Earnings per Stock Unit

Earning per stock unit ("EPS") is computed by dividing the profit attributable to stockholders of the parent of \$1,116,272,000 (2010: \$983,157,000) by the number of ordinary stock units in issue during the year, numbering 1,463,386,752 (2010: 1,463,386,752).

11. Dividends

	The Group and The Company	
	2011	2010
	\$'000	\$'000
Final dividend in respect of 2010 @ 6.0 cents (2009: 6.0) cents per stock unit	87,803	87,803
Interim dividend in respect of 2011 @ 8.0 cents (2010: 6.0) cents per stock unit	<u>117,071</u>	<u>87,803</u>
	<u>204,874</u>	<u>175,606</u>

12. Cash and Cash Equivalents

	The Group		The Company	
	2011	2010	2011	2010
	\$'000	\$'000	\$'000	\$'000
Cash	2,545,598	2,631,213	2,018,017	1,596,324
Cash equivalents	<u>771,459</u>	<u>1,012,319</u>	<u>771,459</u>	<u>900,949</u>
	<u>3,317,057</u>	<u>3,643,532</u>	<u>2,789,476</u>	<u>2,497,273</u>

Cash equivalents of the Group and company include \$322,635,000 (2010: \$336,923,000) 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 \$7,295,958 (2010: \$7,011,927) deposited at an interest rate of 4% (2010: 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.

13. Loans and Notes Receivable

	The Group		The Company	
	2011	2010	2011	2010
	\$'000	\$'000	\$'000	\$'000
J\$ Promissory notes 0-25% (2010 : 0-26%)	2,603,567	2,424,238	2,603,567	2,424,239
US\$ Promissory notes and debenture 7:00%				
- 11.50% (2010: 8:00% - 11.50%)	729,229	994,814	378,060	667,569
GBP Promissory notes and debenture 7%				
- 10.00% (2010: 8:00% - 10:00%)	645	160	645	160
TT\$ Promissory notes 14% (2010: 14%)	<u>260,915</u>	<u>239,958</u>	-	-
	3,594,356	3,659,170	2,982,272	3,091,968
Less: provision for impairment	<u>(148,556)</u>	<u>(19,276)</u>	<u>(66,522)</u>	<u>(19,276)</u>
	<u>3,445,800</u>	<u>3,639,894</u>	<u>2,915,750</u>	<u>3,072,692</u>

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13. Loans and Notes Receivable (Continued)

Notes receivable include an interest-free revolving advance of \$316,000,000 (2010: \$316,000,000) 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 14).

14. Other Receivables

	The Group		The Company	
	2011	2010	2011	2010
	\$'000	\$'000	\$'000	\$'000
Receivables from related parties	-	-	864,475	419,394
Other receivables	2,759,926	5,356,590	1,328,994	1,390,144
Due from managed fund	277,012	610,120	277,012	604,779
Staff loans	<u>145,534</u>	<u>116,710</u>	<u>145,534</u>	<u>116,596</u>
	3,182,472	6,083,420	2,616,015	2,530,913
Less: provision for impairment	<u>(1,042,480)</u>	<u>(3,455,543)</u>	<u>(1,042,480)</u>	<u>(991,445)</u>
	<u>2,139,992</u>	<u>2,627,877</u>	<u>1,573,535</u>	<u>1,539,468</u>

Other receivables of the Group and the company include the balance of \$3,972,000 (2010: \$3,022,000) 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 2011 was 180,027,557 (2010: 178,871,702).

15. Securities Purchased Under Agreements to Resell

	The Group		The Company	
	2011	2010	2011	2010
	\$'000	\$'000	\$'000	\$'000
Denominated in Jamaica dollars	505,273	948,875	504,809	884,741
Denominated in United States dollars	173,961	1,524,665	14,695,233	15,370,245
Denominated in Euro	-	-	1,086,620	1,171,433
Denominated in Dominican Republic Pesos	<u>-</u>	<u>-</u>	<u>219,450</u>	<u>832,480</u>
	<u>679,234</u>	<u>2,473,540</u>	<u>16,506,112</u>	<u>18,258,899</u>

Resale agreements include balances with related parties as set out in Note 29. All resale agreements mature within twelve months after the reporting 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 \$16,729,510,000 (2010: \$19,548,265,000) for the company.

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16. Investments

	The Group		The Company	
	2011	2010	2011	2010
	\$'000	\$'000	\$'000	\$'000
Loans and receivables				
Certificate of deposits	2,785,663	8,293,742	2,750,000	8,208,642
Government of Jamaica securities	24,487,606	35,771,970	18,535,292	26,991,375
Corporate:				
Sovereign	4,633,297	9,924,801	256,626	5,783,683
Other	<u>6,952,452</u>	<u>7,696,947</u>	<u>6,952,452</u>	<u>7,696,947</u>
	<u>38,859,018</u>	<u>61,687,460</u>	<u>28,494,370</u>	<u>48,680,647</u>
Available-for-sale securities:				
Government of Jamaica securities	47,994,759	33,458,838	47,994,759	33,458,838
Corporate bond:				
Other	148,050	-	148,050	-
Sovereign bond	10,427,579	8,545,609	143,082	-
Quoted securities	467,224	756,582	372,200	669,979
Units in unit trusts	180,209	163,440	180,209	163,440
Money Market Funds	169,196	268,401	169,196	268,401
Other	<u>15,600</u>	<u>7,205</u>	<u>-</u>	<u>-</u>
	<u>59,402,617</u>	<u>43,200,075</u>	<u>49,007,496</u>	<u>34,560,658</u>
	98,261,635	104,887,535	77,501,866	83,241,305
Less: provision for impairment losses	<u>(28,242)</u>	<u>-</u>	<u>(28,242)</u>	<u>-</u>
	<u>98,233,393</u>	<u>104,887,535</u>	<u>77,473,624</u>	<u>83,241,305</u>

Notes to the Financial Statements

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16. Investments (Continued)

Provision for impairment

	The Group		The Company	
	2011	2010	2011	2010
	\$'000	\$'000	\$'000	\$'000
Balance as 1 April	-	285,329	-	285,329
Charge for the year	28,242	-	28,242	-
Write-offs	-	(285,329)	-	(285,329)
Balance as 31 March	<u>28,242</u>	<u>-</u>	<u>28,242</u>	<u>-</u>

Investments mature, from the reporting date, as follows:

	The Group		The Company	
	2011	2010	2011	2010
	\$'000	\$'000	\$'000	\$'000
Government of Jamaica securities				
Within 3 months	836,673	469,405	836,673	469,405
From 3 months to 1 year	1,519,801	66,349	1,519,801	66,349
From 1 year to 5 years	29,263,995	21,763,975	27,212,751	18,193,468
Over 5 years	<u>40,861,896</u>	<u>46,931,079</u>	<u>36,960,826</u>	<u>41,720,991</u>
	<u>72,482,365</u>	<u>69,230,808</u>	<u>66,530,051</u>	<u>60,450,213</u>
Certificate of deposits:				
Within 3 months	2,785,663	7,293,742	2,750,000	7,208,642
From 3 months to 1 year	-	<u>1,000,000</u>	-	<u>1,000,000</u>
	<u>2,785,663</u>	<u>8,293,742</u>	<u>2,750,000</u>	<u>8,208,642</u>
Sovereign bonds and corporate bonds:				
Within 3 months	132,285	-	-	-
From 3 months to 1 year	108,616	-	108,616	-
From 1 year to 5 years	10,243,432	3,707,720	3,171,009	460,902
Over 5 years	<u>11,677,037</u>	<u>22,459,637</u>	<u>4,220,577</u>	<u>13,019,728</u>
	<u>22,161,370</u>	<u>26,167,357</u>	<u>7,500,202</u>	<u>13,480,630</u>
Other [see (c) below]	<u>803,995</u>	<u>1,195,628</u>	<u>693,371</u>	<u>1,101,820</u>
	<u>98,233,393</u>	<u>104,887,535</u>	<u>77,473,624</u>	<u>83,241,305</u>

(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 (2010: \$275,000,000) 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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16. Investment (Continued)

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

17. 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.

18. Interest in Subsidiaries

	The Company	
	2011	2010
	\$'000	\$'000
JMMB Securities Limited		
Shares, at cost – equity	26,050	26,050
– preference	79,000	79,000
Subordinated loan	-	<u>8,000</u>
	<u>105,050</u>	<u>113,050</u>
JMMB Insurance Brokers Limited		
Shares, at cost - equity	<u>125,000</u>	<u>105,000</u>
Jamaica Money Marker Brokers (Trinidad and Tobago) Limited		
Shares, at cost – equity	-	-
Loan	<u>336,765</u>	<u>336,765</u>
	<u>336,765</u>	<u>336,765</u>
JMMB International Limited		
Shares, at cost – equity	<u>500,000</u>	<u>500,000</u>
JMMB Real Estate Holdings Limited		
Shares, at cost – equity	<u>1</u>	<u>1</u>
JMMB Holdings Limited		
Shares, at cost - equity	9	9
Loan	<u>98,665</u>	<u>98,665</u>
	<u>98,674</u>	<u>98,674</u>
	<u>1,165,490</u>	<u>1,153,490</u>

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19. Investment Properties

	The Group	
	2011	2010
	\$'000	\$'000
Transferred from fixed assets	48,688	-
Asset acquired at fair value	<u>408,903</u>	<u>-</u>
Balance at end of year	<u>457,591</u>	<u>-</u>

The properties are stated at fair market value, as appraised by professional, independent valuers. Investment properties generated revenue of \$536,000 and expenses of \$2,988,000 for the year.

20. Interest in Associated Companies

	The Group		The Company	
	2011	2010	2011	2010
	\$'000	\$'000	\$'000	\$'000
Shares, at cost	331,042	331,042	-	-
Shares of post-acquisition profits	237,521	165,985	-	-
Share of investment revaluation reserve	(5,926)	(25,977)	-	-
Cumulative translation reserve	<u>80,500</u>	<u>160,882</u>	<u>-</u>	<u>-</u>
	<u>643,137</u>	<u>631,932</u>	<u>-</u>	<u>-</u>

The summarized financial information for the associates are as follows:

	The Group		The Company	
	2011	2010	2011	2010
	\$'000	\$'000	\$'000	\$'000
Assets	12,995,604	17,458,048	-	-
Liabilities	11,706,233	16,188,235	-	-
Revenue	828,587	908,844	-	-
Profit	<u>46,063</u>	<u>52,240</u>	<u>-</u>	<u>-</u>

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21. Intangible Assets

Cost

At 31 March 2009
Additions
Adjustment
At 31 March 2010
Additions
At 31 March 2011

Accumulated Amortisation

At 31 March 2009
Charge for the year
At 31 March 2010
Charge for the year
Adjustment
At 31 March 2011

Net Book Value

31 March 2011
31 March 2010
31 March 2009

	Group	
Computer		
Software	Goodwill	Total
\$'000	\$'000	\$'000
At 31 March 2009	16,744	370,552
Additions	-	15,365
Adjustment	-	90
At 31 March 2010	16,744	386,007
Additions	-	18,317
At 31 March 2011	16,744	404,324
At 31 March 2009	-	274,147
Charge for the year	-	28,348
At 31 March 2010	-	302,495
Charge for the year	-	23,720
Adjustment	-	321
At 31 March 2011	-	326,536
31 March 2011	16,744	77,788
31 March 2010	16,744	83,512
31 March 2009	16,744	96,405

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21. Intangible Assets (Continued)

	Company	
	Computer Software	Total
	\$'000	\$'000
Cost		
At 31 March 2009	327,559	327,559
Additions	15,365	15,365
At 31 March 2010	342,924	342,924
Additions	18,317	18,317
At 31 March 2011	361,241	361,241
Accumulated Amortisation		
At 31 March 2009	251,680	251,680
Charge for the year	26,255	26,255
At 31 March 2010	277,935	277,935
Charge for the year	22,162	22,162
At 31 March 2011	300,097	300,097
Net Book Value		
31 March 2011	61,144	61,144
31 March 2010	64,989	64,989
31 March 2009	75,879	75,879

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22. Property, Plant and Equipment

The Group	Freehold Land and Buildings	Leasehold Improvement	Motor Vehicles	Computer Equipment	Equipment Furniture and Fittings	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cost						
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
Additions	23,136	14,065	18,195	30,731	39,080	125,207
Transfer to investment properties	(48,688)	-	-	-	-	(48,688)
Disposals	-	(8,219)	(41,898)	-	(1,602)	(51,719)
At 31 March 2011	818,540	94,552	34,581	310,099	290,872	1,548,644
Accumulated Depreciation						
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
Charge for the year	15,276	4,908	5,237	36,336	24,092	85,849
Disposals	-	(6,003)	(38,716)	-	(534)	(45,253)
Adjustment	-	59	29	336	158	582
At 31 March 2011	59,344	69,847	12,980	268,161	146,885	557,217
Net Book Value						
At 31 March 2011	759,196	24,705	21,601	41,938	143,987	991,427
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

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22. Property, Plant and Equipment (Continued)

The Company	Freehold Land and Buildings	Leasehold Improvement	Motor Vehicles	Computer Equipment	Equipment Furniture and Fittings	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cost						
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
Additions	23,136	1,500	14,796	30,162	35,346	104,940
Disposals	-	-	(37,353)	-	(413)	(37,766)
At 31 March 2011	763,084	73,858	30,586	305,507	274,708	1,447,743
Accumulated Depreciation						
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
Charge for the year	15,276	3,006	4,128	35,956	22,162	80,528
Disposals	-	-	(37,353)	-	(345)	(37,698)
At 31 March 2011	59,344	69,590	12,206	253,898	139,915	534,953
Net Book Value						
At 31 March 2011	703,740	4,268	18,380	51,609	134,793	912,790
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

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 33¼%.

Deferred tax assets and liabilities recognised on the statement of financial position are as follows:

	The Group		The Company	
	2011	2010	2011	2010
	\$'000	\$'000	\$'000	\$'000
Deferred income tax assets	18,300	26,150	-	-
Deferred income tax liabilities	(1,157,747)	(278,902)	(1,157,747)	(278,902)
Net deferred income tax liabilities	(1,139,447)	(252,752)	(1,157,747)	(278,902)

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23. Deferred Income Taxes (Continued)

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

	The Group		The Company	
	2011	2010	2011	2010
	\$'000	\$'000	\$'000	\$'000
Balance at beginning of year liabilities	(252,752)	(99,919)	(278,902)	(119,045)
Charged to profit or loss (Note 9)	(44,226)	(41,934)	(36,902)	(49,746)
Charged to other comprehensive income	(842,469)	(110,899)	(841,943)	(110,111)
Balance at end of year liabilities	(1,139,447)	(252,752)	(1,157,747)	(278,902)

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

	The Group		The Company	
	2011	2010	2011	2010
	\$'000	\$'000	\$'000	\$'000
Deferred income tax assets -				
Investments	1,887	786,747	-	787,055
Payables	1,568	4,124	1,552	4,109
Unrealised foreign exchange losses	453	-	-	-
Interest payable	284,200	469,650	284,200	469,650
Tax losses carried forward	16,810	525,608	-	497,432
	304,918	1,786,129	285,752	1,758,246
Deferred income tax liabilities -				
Investments	34,749	-	34,223	-
Unrealised foreign exchange gains	1,028,712	1,298,486	1,028,712	1,298,288
Property, plant and equipment	4,007	22,810	3,940	22,639
Accounts receivable	273	1,364	-	-
Interest receivable	376,624	716,221	376,624	716,221
	1,444,365	2,038,881	1,443,499	2,037,148
Net deferred income tax liabilities	(1,139,447)	(252,752)	(1,157,747)	(278,902)

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24. Share Capital

	2011	2010
	Number of Shares 000	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
12% cumulative redeemable preference shares of no par value	-	70,776
12.15% cumulative redeemable preference shares of no par value	47,328	47,328
8.75% cumulative redeemable preference shares of no par value	889,073	-
8.5% cumulative redeemable preference shares +of no par value	<u>26,322</u>	<u>-</u>
	<u>2,529,123</u>	<u>2,468,280</u>
	2011	2010
	\$'000	\$'000
Stated capital:		
1,463,386,752 (2010: 1,463,386,752) ordinary stock units	365,847	365,847
783,776,000 12.25% cumulative redeemable preference stock units	-	2,312,139
70,766,000 12% cumulative redeemable preference stock units	-	212,298
47,328,000 (2010: 47,328,000)12.15% cumulative redeemable preference stock units	165,648	165,648
889,073,000 8.75% cumulative redeemable preference stock units	2,667,219	-
26,322,000 8.5% cumulative redeemable preference stock units	<u>92,127</u>	<u>-</u>
	3,290,841	3,055,932
Less redeemable preference stock units required by IFRS to be accounted for as liabilities in the financial statements	<u>(2,924,994)</u>	<u>(2,690,085)</u>
	<u>365,847</u>	<u>365,847</u>

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24. Share Capital (Continued)

On December 14, 2010, the 12% cumulative redeemable preference stock and 12.25% cumulative redeemable preference stock units matured and were paid out in full.

From January 3, 2011 to 7 January 2011, 889,073,000 8.75% fixed rate cumulative redeemable preference shares and 26,322,000 8.5% fixed rate cumulative redeemable preference shares were sold at a price of \$3.00 and \$3.50 per share respectively to the public by public offering.

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.

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	
	2011	2010	2011	2010
	\$'000	\$'000	\$'000	\$'000
Denominated in Jamaica dollars	40,642,839	39,505,765	40,803,644	39,590,417
Denominated in United States dollars	48,044,359	56,015,144	43,300,468	47,946,186
Denominated in Pound Sterling	1,758,820	2,072,772	1,758,820	2,072,772
Denominated in Euro	640,595	4,165,823	1,727,214	1,660,487
Denominated in Dominican Republic Peso	5,559,252	591,648	-	-
Denominated in Canadian dollars	<u>422,401</u>	<u>493,833</u>	<u>422,401</u>	<u>493,833</u>
	<u>97,068,266</u>	<u>102,844,985</u>	<u>88,012,547</u>	<u>91,763,695</u>

Repurchase agreements are collateralized by certain securities and other instruments held by the Group and the company with a carrying value of \$101,792,221,000 (2010: \$105,091,641,000) and \$92,736,502,000 (2010: \$97,677,696,000) respectively (Notes 13, 15 and 16).

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 15).

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27. Notes Payable

	The Group		The Company	
	2011	2010	2011	2010
	\$'000	\$'000	\$'000	\$'000
(i) 8.25% US\$ 12,500,000 promissory note	74,128	561,110	74,128	561,110
(ii) 12.00% TT\$14,000,000 commercial paper promissory note	87,010	87,540	-	-
(iii) 7% US\$4,068,000 promissory note	348,336	-	-	-
(iv) 6.75% US\$1,336,000 promissory note	<u>114,399</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>623,873</u>	<u>648,650</u>	<u>74,128</u>	<u>561,110</u>
(i) This note is unsecured and the entire amount is repayable on 30 June 2011. Interest is paid semi-annually, and may be varied at the option of the promisee, in consultation with the promisor, provided that the rate does not exceed the Central Bank of Trinidad and Tobago's 90-day Treasury bill rate.				
(ii) This note is unsecured and the entire amount is repayable by 5 October 2011.				
(iii) This note is unsecured and the entire amount is repayable on 4 March 2013. Interest is paid semi-annually at a fixed rate of 7% per annum.				
(iv) This note is unsecured and the entire amount is repayable on 31 March 2013. Interest is paid semi-annually at a fixed rate of 6.75% per annum.				

28. Loans Payable

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

US\$ Nil (2010: US\$78,800,000) 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. This amount was repaid during the financial year.

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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 statement of financial position includes balances, arising in the normal course of business, with related parties, as follows:

	The Group		The Company	
	2011	2010	2011	2010
	\$'000	\$'000	\$'000	\$'000
Directors				
Notes receivable	16,849	19,487	16,849	19,487
Interest payable	(776)	(1,807)	(776)	(1,807)
Repurchase agreements	<u>(136,421)</u>	<u>(140,533)</u>	<u>(136,421)</u>	<u>(140,533)</u>
Major Shareholders -				
Notes receivable	481,761	480,089	481,761	480,089
Interest payable	(1,564)	(1,211)	(1,564)	(1,211)
Repurchase agreements	<u>(106,787)</u>	<u>(88,113)</u>	<u>(106,787)</u>	<u>(88,113)</u>
Subsidiaries -				
Resale agreements	-	-	15,988,147	17,082,160
Other receivables	-	-	-	-
Interest receivable	<u>=</u>	<u>=</u>	<u>5,205</u>	<u>4,179</u>

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	
	2011	2010	2011	2010
	\$'000	\$'000	\$'000	\$'000
Directors				
Interest income	3,242	6,858	3,242	6,858
Interest expense	(10,195)	(15,478)	(10,195)	(15,478)
Major Shareholders-				
Interest income	12,069	23,372	12,069	23,372
Interest expense	(2,178)	(873)	(2,178)	(873)
Subsidiaries -				
Interest income	-	-	978,880	983,313
Managed funds				
Gain on sale of securities	429,629	306,101	429,629	306,101

(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	
	2011	2010	2011	2010
	\$'000	\$'000	\$'000	\$'000
Short-term employee benefits				
including directors fees (Note 8)	132,968	116,830	125,713	116,830
Post-employment benefits	6,627	6,818	6,627	6,818
	139,595	123,648	132,340	123,648

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.

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.

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.

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	
	2011	2010	2011	2010
	\$’000	\$’000	\$’000	\$’000
Credit risk exposures relating to carrying amounts are as follows:				
Cash and cash equivalents	3,317,057	3,643,532	2,789,476	2,497,273
Investment securities	98,233,393	104,887,535	77,473,624	83,241,305
Loans and notes receivable	3,445,800	3,639,894	2,915,750	3,072,692
Securities purchased under agreements to resell	679,234	2,473,540	16,506,112	18,258,899
Other receivable, net of provision	<u>2,139,992</u>	<u>2,627,877</u>	<u>1,573,535</u>	<u>1,539,468</u>
	<u>107,815,476</u>	<u>117,272,378</u>	<u>101,258,497</u>	<u>108,609,637</u>
Credit risk exposures relating to off balance sheet items are as follows:				
Loan commitments	39,707	43,304	39,707	43,304
Guarantees and letters of credit	<u>15,454</u>	<u>16,361</u>	<u>15,454</u>	<u>16,361</u>
	<u>55,161</u>	<u>59,665</u>	<u>55,161</u>	<u>59,665</u>

The above table represents a worst-case scenario of credit risk exposure to the Group and company at 31 March 2011 and 2010, 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.

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	
	2011	2010
	\$'000	\$'000
Loans and notes receivable	<u>742,535</u>	<u>313,895</u>

(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 \$875,692,000 (2010: \$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 \$533,340,000 (2010: \$625,152,000) for the Group and company.

(iv) During the year, the company renegotiated credit to the value of \$31,740,000 and had repossessed collateral amounting to \$6,250,000.

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 a the balance sheet date is shown below:

The Group	2011				
	Cash and cash	Loans and	Resale		
	equivalents	receivable	agreements	Investments	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amounts	<u>3,317,057</u>	<u>3,445,800</u>	<u>679,234</u>	<u>98,233,393</u>	<u>105,675,484</u>
Concentration by sector					
Government of Jamaica	-	-	-	72,482,365	72,482,365
Sovereign bonds	-	-	-	15,060,876	15,060,876
Bank of Jamaica	-	-	-	2,785,663	2,785,663
Corporate	-	695,580	77,809	148,050	921,439
Financial institutions	3,317,057	-	601,425	7,756,439	11,674,921
Retails	<u>-</u>	<u>2,750,220</u>	<u>-</u>	<u>-</u>	<u>2,750,220</u>
	<u>3,317,057</u>	<u>3,445,800</u>	<u>679,234</u>	<u>98,233,393</u>	<u>105,675,484</u>
Concentration by location					
Jamaica	1,766,353	3,445,800	679,234	91,818,618	97,710,005
North America	1,384,267	-	-	-	1,384,267
Trinidad	4,939	-	-	-	4,939
Other	<u>161,498</u>	<u>-</u>	<u>-</u>	<u>6,414,775</u>	<u>6,576,273</u>
	<u>3,317,057</u>	<u>3,445,800</u>	<u>679,234</u>	<u>98,233,393</u>	<u>105,675,484</u>

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30. Financial Risk Management (Continued)

(b) Credit risk (continued)

The Group

	2010				
	Cash and cash	Loans and	Resale	Investments	Total
	equivalents	receivable	agreements		
	\$'000	\$'000	\$'000		\$'000
Carrying amounts	<u>3,643,532</u>	<u>3,639,894</u>	<u>2,473,540</u>	<u>104,887,535</u>	<u>114,644,501</u>
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	<u>-</u>	<u>3,072,692</u>	<u>-</u>	<u>3,924,233</u>	<u>6,996,925</u>
	<u>3,643,532</u>	<u>3,639,894</u>	<u>2,473,540</u>	<u>104,887,535</u>	<u>114,644,501</u>
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	<u>936,094</u>	<u>108,039</u>	<u>-</u>	<u>12,435,946</u>	<u>13,480,079</u>
	<u>3,643,532</u>	<u>3,639,894</u>	<u>2,473,540</u>	<u>104,887,535</u>	<u>114,644,501</u>

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30. Financial Risk Management (Continued)

(b) Credit risk (continued)

The Company

	2011				
	Cash and cash	Loans and	Resale	Investments	Total
	equivalents	receivable	agreements		
	\$'000	\$'000	\$'000		\$'000
Carrying amounts	<u>2,789,476</u>	<u>2,915,750</u>	<u>16,506,112</u>	<u>77,473,624</u>	<u>99,684,962</u>
Concentration by sector					
Government of Jamaica	-	-	-	66,530,051	66,530,051
Sovereign bonds	-	-	-	399,708	399,708
Bank of Jamaica	-	-	-	2,750,000	2,750,000
Corporate	-	-	77,809	7,100,502	7,178,311
Financial institutions	2,789,476	-	16,428,303	693,363	19,911,142
Retails	<u>-</u>	<u>2,915,750</u>	<u>-</u>	<u>-</u>	<u>2,915,750</u>
	<u>2,789,476</u>	<u>2,915,750</u>	<u>16,506,112</u>	<u>77,473,624</u>	<u>99,684,962</u>
Concentration by location					
Jamaica	1,431,218	2,915,750	16,506,112	75,604,550	96,457,630
North America	1,336,143	-	-	-	1,336,143
Trinidad	22,115	-	-	27,921	50,036
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,841,153</u>	<u>1,841,153</u>
	<u>2,789,476</u>	<u>2,915,750</u>	<u>16,506,112</u>	<u>77,473,624</u>	<u>99,684,962</u>
	2010				
	Cash and cash	Loans and	Resale	Investments	Total
	equivalents	receivable	agreements		
	\$'000	\$'000	\$'000		\$'000
Carrying amounts	<u>2,497,273</u>	<u>3,072,692</u>	<u>18,258,899</u>	<u>83,241,305</u>	<u>107,070,169</u>
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	-	-	673,169	7,696,947	8,370,116
Financial institutions	2,497,273	-	17,187,132	1,101,820	20,786,225
Retails	<u>-</u>	<u>3,072,692</u>	<u>398,598</u>	<u>-</u>	<u>3,471,290</u>
	<u>2,497,273</u>	<u>3,072,692</u>	<u>18,258,899</u>	<u>83,241,305</u>	<u>107,070,169</u>
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	<u>-</u>	<u>-</u>	<u>832,480</u>	<u>5,783,683</u>	<u>6,616,163</u>
	<u>2,497,273</u>	<u>3,072,692</u>	<u>18,258,899</u>	<u>83,241,305</u>	<u>107,070,169</u>

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.

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.

	2011				
	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	74,128	-	549,745	623,873	623,873
Securities sold under agreements to repurchase	71,510,200	25,556,966	1,100	97,068,266	97,068,266
Redeemable preference shares	-	-	2,924,994	2,924,994	2,924,994
Payables	596,897	-	-	596,897	596,897
	72,181,225	25,556,966	3,475,839	101,214,030	101,214,030

	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	102,844,985
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

30. Financial Risk Management (Continued)

(c) Liquidity risk (continued)

Residual contractual maturities of financial liabilities (continued)

	2011				
	The Company				
	Within 3	3 to 12	1-5	Contractual	Carrying
	Months	Months	Years	Cash Flow	Amount
	\$'000	\$'000	\$'000	\$'000	\$'000
Financial Liabilities					
Notes payable	74,128	-	-	74,128	74,128
Securities sold under agreements to repurchase	64,557,214	23,454,233	1,100	88,012,547	88,012,547
Redeemable preference shares	-	-	2,924,994	2,924,994	2,924,994
Payables	229,337	-	-	229,337	229,337
	64,860,679	23,454,233	2,926,094	91,241,006	91,241,006

	2010				
	The Company				
	Within 3	3 to 12	1-5	Contractual	Carrying
	Months	Months	Years	Cash Flow	Amount
	\$'000	\$'000	\$'000	\$'000	\$'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

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-to-day 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.

A summary of the VaR position of the Group's overall portfolio as at 31 March 2011 and during the year is as follows:

	31 March	Average for Year	Maximum during Year	Minimum during Year
	\$'000	\$'000	\$'000	\$'000
2011 Overall VaR	1,303,612	1,461,375	2,691,693	938,179
2010 Overall VaR	2,680,825	1,992,769	4,779,341	1,109,495

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.

30. Financial Risk Management (Continued)

(d) Market risk (continued)

(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 recognised 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 reporting date, the Jamaica dollar equivalents of net foreign currency assets/(liabilities) were as follows:

	The Group		The Company		Exchange rates	
	2011	2010	2011	2010	2011	2010
	\$'000	\$'000	\$'000	\$'000		
United States dollars	4,952,772	6,952,944	4,952,772	6,952,944	85.63	89.39
Great Britain pounds	71,796	(22,068)	71,796	(22,068)	137.45	133.53
Euros	(14,049)	(157,674)	(5,355)	(188,979)	120.71	119.81
Trinidad and Tobago dollars	237,133	(77,882)	55,254	86,502	13.33	14.03
Canadian dollars	(40,295)	12,809	(40,295)	12,809	87.20	87.22
Peso	-	834,031	220,370	834,031	2.26	2.45

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	Effect on	Change in	Effect on
	Currency Rate	Profit	Currency Rate	Profit
	2011	2011	2010	2010
	%	\$'000	%	\$'000
Currency:				
USD	1	49,528	5	347,647
GBP	1	718	5	(1,103)
EUR	1	(140)	5	(7,884)
PESO	1	-	5	41,702
CAD	1	(403)	5	640
TT\$	1	2,371	5	(3,894)
		52,074		377,108

30. Financial Risk Management (Continued)

(d) Market risk (continued)

(i) Currency risk (continued)

Foreign currency sensitivity (continued)

	The Company			
	Change in	Effect on	Change in	Effect on
	Currency Rate	Profit	Currency Rate	Profit
	2011	2011	2010	2010
	%	\$'000	%	\$'000
Currency:				
USD	1	49,528	5	347,647
GBP	1	718	5	(1,103)
EUR	1	(54)	5	(9,449)
PESO	1	2,204	5	41,702
CAD	1	(403)	5	640
TT\$	1	553	5	4,325
		52,546		383,762

(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.

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31 MARCH 2011
(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	3 to 6 Months	6 to 12 Months	1 to 5 Years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
At 31 March 2011:					
Assets					
Cash and cash equivalents	3,317,057	-	-	-	3,317,057
Loans and notes receivable	2,660,787	785,013	-	-	3,445,800
Securities purchased under agreements to resell	666,891	12,343	-	-	679,234
Investment securities	4,281,290	1,708,265	30,383,760	61,860,078	98,233,393
Total interest bearing assets	10,926,025	2,505,621	30,383,760	61,860,078	105,675,484
Liabilities					
Notes payable	74,128	87,012	462,733	-	623,873
Securities sold under agreements to repurchase	71,541,645	16,917,197	8,608,324	1,100	97,068,266
Redeemable preference shares	-	-	-	2,924,994	2,924,994
Total interest bearing liabilities	71,615,773	17,004,209	9,071,057	2,926,094	100,617,133
Total interest sensitivity gap	(60,689,748)	(14,498,588)	21,312,703	58,933,984	5,058,351
Cumulative interest sensitivity gap	(60,689,748)	(75,188,336)	(53,875,633)	5,058,351	

Notes to the Financial Statements

31 MARCH 2011
(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	3 to 6 Months	6 to 12 Months	1 to 5 Years	Total
	\$'000	\$'000	\$'000	\$'000	\$'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 2011

(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 2011:					
Assets					
Cash and cash equivalents	2,789,476	-	-	-	2,789,476
Loans and notes receivable	2,444,829	470,921	-	-	2,915,750
Securities purchased under agreements to resell	16,493,769	12,343	-	-	16,506,112
Investment securities	4,280,044	1,628,417	30,383,760	41,181,403	77,473,624
Total interest bearing assets	26,008,118	2,111,681	30,383,760	41,181,403	99,684,962
Liabilities					
Notes payable	74,128	-	-	-	74,128
Securities sold under agreements to repurchase	64,557,214	15,380,487	8,073,746	1,100	88,012,547
Redeemable preference shares	-	-	-	2,924,994	2,924,994
Total interest bearing liabilities	64,631,342	15,380,487	8,073,746	2,926,094	91,011,669
Total interest sensitivity gap	(38,623,224)	(13,268,806)	22,310,014	38,255,309	8,673,293
Cumulative interest sensitivity gap	(38,623,224)	(51,892,030)	(29,582,016)	8,673,293	

Notes to the Financial Statements

31 MARCH 2011

(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	7,696	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	

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 2010.

	The Group			
	Effect on Profit	Effect on Equity	Effect on Profit	Effect on Equity
	2011	2011	2010	2010
	\$'000	\$'000	\$'000	\$'000
Change in basis points				
-200	-	3,504,401	1,193,413	1,512,336
200	-	(3,313,338)	(1,193,413)	(1,512,336)

	The Company			
	Effect on Profit	Effect on Equity	Effect on Profit	Effect on Equity
	2011	2011	2010	2010
	\$'000	\$'000	\$'000	\$'000
Change in basis points				
-200	-	2,178,147	1,193,413	1,114,316
200	-	(1,987,085)	(1,193,413)	(1,114,316)

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.

(iii) Equity price risk

Equity price risk arises on equity securities held by the Group as part of its investment portfolio. Management monitors the mix of debt and equity securities in its investment portfolio based on market expectations. The 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 Exchanges. A 5% increase or decrease in quoted bid prices at the reporting date would result in an increase or decrease, respectively, in equity of \$23,516,000 (2010: \$38,725,000) for the Group and \$9,262,000 (2010: \$36,407,000) for the company.

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 identified;
- 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.

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 the 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 2011 and 31 March 2010.

30. Financial Risk Management (Continued)

(f) Capital management (continued)

	JMMB	JMMB	JMMBSL	JMMBSL	JMMBIB	JMMBIB
	2011	2010	2011	2010	2011	2010
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Tier 1 capital	11,483,573	9,636,832	116	99	25,600	13,000
Tier 2 capital	2,207,477	2,690,085	24	32	-	-
Total regulatory capital	13,691,050	12,326,917	140	131	25,600	13,000
Risk-weighted assets:						
On-balance sheet	34,327,163	12,668,553	203	176	-	-
Foreign exchange exposure	4,714,764	8,688,474	18	13	-	-
Total risk-weighted assets	39,041,927	21,357,027	221	189	-	-
Total regulatory capital to						
risk weighted assets	35%	58%	63%	69%	-	-
Actual capital base to						
risk weighted assets	40%	45%	63%	69%	-	-
Required capital base to						
risk weighted assets	10%	10%	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 2011, 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).

31. Fair Value of Financial Instruments (Continued)

	2011			
	The Group			
	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000
Available for sale securities				
Government of Jamaica securities	-	47,994,759	-	47,994,759
Sovereign bonds	-	10,427,579	-	10,427,579
Corporate	-	148,050	-	148,050
Quoted securities	467,224	-	-	467,224
Units in unit trusts	-	180,209	-	180,209
Money market funds	-	169,196	-	169,196
Other	-	15,600	-	15,600
	<u>467,224</u>	<u>58,935,393</u>	<u>-</u>	<u>59,402,617</u>

	2010			
	The Group			
	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000
Available for sale securities				
Government of Jamaica securities	-	33,458,838	-	33,458,838
Sovereign bonds	-	8,545,609	-	8,545,609
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
	<u>756,582</u>	<u>42,443,493</u>	<u>-</u>	<u>43,200,075</u>

31. Fair Value of Financial Instruments (Continued)

	2011			
	The Company			
	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000
Available for sale securities				
Government of Jamaica securities	-	47,994,759	-	47,994,759
Sovereign	-	143,082	-	143,082
Corporate	-	148,050	-	148,050
Quoted securities	372,200	-	-	372,200
Units in unit trusts	-	180,209	-	180,209
Money market funds	-	169,196	-	169,196
	372,200	48,635,296	-	49,007,496

	2010			
	The Company			
	Level 1	Level 2	Level 3	Total
	\$'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

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. In December 2010, the Institute of Chartered Accountants of Jamaica (ICAJ), in conjunction with the Jamaica Securities Dealers Association (JSDA) deemed that the market for the GOJ Global bonds had regained its active status. The Group's accounting policy is to hold these assets as loans and receivable to maturity. 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.

	The Group			
	Carrying Value	Fair Value	Carrying Value	Fair Value
	2011	2011	2010	2010
	\$'000	\$'000	\$'000	\$'000
Financial Assets				
Government of Jamaica securities	24,487,606	24,874,946	35,771,970	34,534,409
Sovereign bonds	4,633,297	4,697,991	9,924,801	9,483,008
Corporate and other bonds	6,952,452	7,413,077	7,696,947	7,891,435

	The Company			
	Carrying Value	Fair Value	Carrying Value	Fair Value
	2011	2011	2010	2010
	\$'000	\$'000	\$'000	\$'000
Financial Assets				
Government of Jamaica securities	18,535,292	18,713,011	26,991,375	26,006,295
Sovereign bonds	256,626	182,636	5,783,683	5,496,475
Corporate and other bonds	6,952,452	7,413,077	7,696,947	7,891,435

Fair value losses of \$619,287,000 (2010: \$1,128,418,000) and \$384,508,000 (2010: \$658,486,000) 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 \$ 34,419,000 (2010: \$31,367,000) for the Group and \$33,328,000 (2010: \$28,810,000) 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 2011, for the Group and the company, funds managed in this way amounted to \$17,378,565,000 (2010: \$15,335,875,000) which includes pension scheme contributions (Note 32), inclusive of accrued interest, amounting to \$75,887,815 (2010: \$69,193,128) 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	
	2011	2010	2011	2010
	\$’000	\$’000	\$’000	\$’000
Investments	169,489	268,401	169,489	268,401
Interest payable	(379)	(21,330)	(379)	(21,330)
Securities sold under agreements to repurchase	<u>(7,563,219)</u>	<u>(8,469,254)</u>	<u>(7,563,219)</u>	<u>(8,469,254)</u>

34. Lease Commitments

Commitments under non-cancellable operating lease agreements, expiring between 2011 and 2012, amounted to \$20,360,000 at 31 March 2011 (2010: \$19,046,147). The lease rentals are payable within one year.

35. Contingent 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 2011 has not yet been determined.

I/We _____ of _____
_____ being a member / members of the above company
hereby appoint _____ of _____ or failing him/her
_____ of _____ as my/our proxy to vote for me/us on
my/our behalf at the Annual General Meeting of the Company to be held on Wednesday September 14, 2011,
at 10.00 A.M. at the Jamaica Pegasus Hotel, Grand Jamaican Suite, 81 Knutsford Boulevard, Kingston 5,
Jamaica and at any adjournment thereof.

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

Dated this _____ day of _____ 2011

Signature



Notes:

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

This Form of Proxy should bear stamp duty of \$100.00. Adhesive stamps are to be cancelled by the person signing the proxy

If the appointer is a corporation, this Form of Proxy must be executed under its Common Seal or under the hand of an officer or attorney duly authorized in writing.



Your Best Interest At Heart. Full Stop.

INVESTMENTS • CAMBIO • LOANS • INSURANCE • PENSIONS • CUSTOMIZED PLANS

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