2012 ANNUAL REPORT

JMB GROUP

JAMAICA | DOMINICAN REPUBLIC | TRINIDAD & TOBAGO

An independent Jamaica was the passionate dream of a few who wanted to see a nation capable of being led by its own people – free to chart its own course and control its own destiny. Many noble Jamaicans sacrificed greatly to achieve this dream.

At midnight on August 5, 1962, the Union Jack was lowered for the final time and the new black, green and gold flag of independent Jamaica was raised, heralding new hope and possibility for all Jamaicans. Fifty years later we continue to work towards the realization of another shared vision, **Vision 2030**, where Jamaica is 'the place of choice to live, work, raise families and do business'.

In 1992, two Jamaicans had a dream to help others achieve financial independence. Two decades and thousands of goals achieved later, JMMB shines as a testament to strength, courage and the power of love.As an indigenous Caribbean company headquartered in Jamaica, JMMB continues to be guided by the principle: ***'Vision + Values = Phenomenal Success'.***

Contents

Passion

No great goal was achieved without passion
And that's why Passion guides our vision
And motivates our values
At the heart of who we are, is the passionate interest in achieving the best
Vision + values = phenomenal success.

JMMB GROUP

Your Best Interest at Heart

Corporate Profile

Since its inception, the JMMB Group has established itself as one of the leading brokerage houses in the Caribbean, now offering a wide range of investment solutions, banking and insurance services in Jamaica, Trinidad & Tobago and the Dominican Republic. Known for its pioneering spirit, the Company has consistently introduced new products and services to its extensive client base of over 190,000 – individual, corporate and institutional.

JAMAICA: THE BEGINNING

The brainchild of the late Joan Duncan, JMMB Ltd. opened for business in November 1992 as the first Money Market Broker in Jamaica. The vision was to provide great investment opportunities to Jamaicans from all walks of life and companies of all sizes so they could benefit from great returns on safe investments. As Possibility Thinkers, Joan Duncan and co-founder Dr. Noel Lyon, created a company based on love that was committed to serving its clients, team members and shareholders.

Since then, the Company has become one of Jamaica's largest, most successful financial institutions, with two subsidiaries in Jamaica – JMMB Securities Ltd. and JMMB Insurance Brokers Ltd. JMMB, inclusive of its subsidiaries, has over 320 team members, nine branches and nine Electronic Transaction Machines (ETMs), most offering dual currency options island-wide to ensure convenient access to a wide client base. Today, it is Jamaica's third largest financial insitution.

REGIONAL FOOTPRINT

In line with our 2025 vision, the JMMB Group began its expansion to other Caribbean markets in 1999, through a successful joint venture establishing Caribbean Money Market Brokers (CMMB) in Trinidad and Barbados.

In 2005, as a means of deliberate business line diversification in the region, JMMB acquired 50% shareholding in Intercommercial Bank Ltd. (IBL Group) in Trinidad and Tobago.

JMMB Dominicana opened its doors in 2006 and in October 2007 our newly-formed company was officially called JMMB Puesto de Bolsa with a mandate to actively develop the Money Market in one of the largest Spanish-speaking Caribbean islands.

JMMB is listed on the Jamaica, Barbados and Trinidad and Tobago Stock Exchanges.

BUSINESS LINE DIVERSIFICATION

In November 2007, in Jamaica, JMMB launched a new suite of credit services which included home equity, motor vehicle, general purpose and commercial loans. That year, JMMB saw the largest oversubscription in Jamaica's financial history with its first Preference Share offering.

In continuously applying strategic decision-making to maximize on opportunities, in 2008 JMMB realized a significant return on investment from the sale of its minority equity holding in CMMB and exited Barbados. In 2009, our operations in the Dominican Republic successfully completed negotiations to acquire majority shareholding in a Savings and Loans bank. And are awaiting final regulatory approval to complete the acquisition and expand its offerings. JMMB's formula: Vision + Values + Expertise = Phenomenal Success.

Indeed, the Company's core values and principles ensure that JMMB continues on a path of sustainable growth in profitability and consistent growth in our client base through our commitment to meeting their needs.

JMMB GROUP

FULFILLING OUR CLIENTS' NEEDS

The main activities of our Group of Companies are:

- Investments: J$, TT$, Peso, US$, Pounds, Euro, and CAD$
- Portfolio Management
- Financial Advisory Services
- Savings: J$, TT$, Peso, US$
- Commercial and Retail Loans
- Corporate Finance
- Equities
- Cambio
- Pensions Management
- Insurance Brokerage (for individuals and companies)

SUMMARY OF KEY PERFORMANCE HIGHLIGHTS FOR THE GROUP (2011-12):

- Net Profit of J$2.24 billion (US$25.7 million) – highest profits generated by Group in its 20 year history
- Net Interest Income up 40.5%
- Other Operating Revenue up 55.6%
- Efficiency Ratio improved to 53.6% from 63.1%

On June 29, 2012, JMMB successfully completed the transaction to acquire the Capital and Credit Financial Group (CCFG) in Jamaica. This enables the expansion of the Group to include the provision of Banking, Remittances and Unit Trust products to its extensive client base. This transaction will result in tremendous benefits for shareholders of both companies as well as clients. It will give the expanded entity the opportunity to deliver stronger financial performance and increase efficiencies by extracting synergies in products, technology platforms and operations. This will increase the overall growth prospects and shareholder value.

CORPORATE CITIZENSHIP

JMMB takes its role as a socially responsible corporate citizen very seriously and 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 within which we operate.

LOCALIZED COMMUNITY INITIATIVES

Throughout the years, our branches have extended our Vision of Love to communities across Jamaica and in particular the communities in which we operate, through their support of various initiatives in the areas of sports, health, education and general outreach. That same commitment to corporate social responsibility is key to JMMB's operations in the DR and Trinidad and Tobago in supporting local community initiatives.

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

Equality

We're all different
Short and tall black and white
With dreams big and small
Every dream matters just the same
No treasure is more precious to each of us...
than the one that bears our name.
Equal opportunity to every pursuit
Is our mission and the service you're due.

Long-Term Results for Our Shareholders

Chairman's and Group CEO's Statement

PERFORMANCE

We are pleased to submit to you the Annual Report for the JMMB Group for the year ended March 31, 2012. We had a good year and are delighted to report a Group operating profit of J$2.78 billion and net profit of J$2.24 billion for the year and a 96% increase compared to the previous year's result.

KEITH DUNCAN
GROUP CHIEF EXECUTIVE OFFICER

DR. NOEL LYON
CHAIRMAN

Shareholders' equity increased from J$9.4 billion in the previous year to J$10.87 billion.

Our achievements have been the direct result of a strategy focused on business line diversification, expanded regional growth, operational excellence and exceptional client service delivery.

All our business lines reported higher contributions to profits. The operations in the Dominican Republic continue to grow with a client portfolio of US$80.71 million and a strong base of retail and institutional clients, including Banks, Savings & Loans Associations, Securities Dealers and Pension Funds. In Trinidad and Tobago, our operations also posted satisfactory results.

> "We are delighted to report a Group operating profit of J$2.78 billion and net profit of J$2.24 billion and a 96% increase compared to the previous year's result."

Intercommercial Bank Limited and its wholly owned subsidiary, Intercommercial Bank Trust and Merchant Bank Limited, taken together as IBL Group, had total assets of TT$1.2 billion, an increase of 24.8% from prior year whilst Profit before Tax (PBT) closed at TT$6.09 million a 47.9% increase over the comparative period. This signal of positive growth demonstrates the continued fortitude of the entities in the face of challenging economic times, the commitment of the teams and the support of stakeholders.

A more in-depth analysis of our results is presented in Management's Discussion and Analysis.

KEY HIGHLIGHTS OF THE FY 2011/12

Our client base continues to grow and exceeds 190,000. This is a testament to the trust and confidence that the Jamaican people and wider regional clients have placed in the JMMB brand.

In 2011 the JMMB Group continued its strategic expansion initiatives in its quest to acquire the Capital & Credit Financial Group in Jamaica. During the year, we also deepened our presence in the Dominican Republic with the addition of the Santiago Branch. As JMMB expands throughout the region, we continue to dedicate ourselves to the company's core values of honesty, integrity, openness and love, and we recognize their prominent role in sustaining our success.

> "Our client base continues to grow and exceeds 190,000. This is a testament to the trust and confidence that the Jamaican people and wider regional clients have placed in the JMMB brand."

In May 2011, we launched the Joan Duncan School of Entrepreneurship, Ethics and Leadership (JDSEEL) at the University of Technology (UTECH), in memory of our founder Joan Duncan.

The Company continued to diversify its offerings by launching several new products, including the ***JMMB Car Solution***, ***JMMB Education Solution*** and ***JMMB Debt Consolidation Loan***. JMMB Insurance Brokers (JMMB IB) launched the ***Smart Choice Home Insurance*** product and continued with its ***JMMB Motor Smart Pak*** through partnerships with select insurance companies.

CLIENT INTIMACY – THE HEART OF JMMB

We recognize that our clients are the cornerstone of our success and as such we continue to deepen our client intimacy initiatives and implement new ones to ensure that you are provided with holistic financial solutions. We recognize that only by maintaining genuine relationships with you and applying our financial expertise to the solution of your financial problems will we reap a win-win solution for all. Thank you wholeheartedly for the opportunity to serve you.

COMMITMENT TO COMMUNITY DEVELOPMENT AND JAMAICA

During the year JMMB provided continued support to organizations and groups in the areas of social transformation, sports, health, education and cultural events.

In Jamaica, we continued to support the Committee for the Upliftment of the Mentally Ill (CUMI), which enhances standards of living for the mentally ill and the homeless. Our support for the Youth Upliftment Through Employment (Y.U.T.E.) programme continues not only with funding but by providing leadership in specific areas. JMMB is proud of its contribution in the renovation of Jamaica's National Stadium Pool Control Booth through a partnership with the Amateur Swimming Association of Jamaica, and of its continued support to the national football programme with the 'JMMB/JFF/UTECH' Coaching School.

JMMB believes in the spirit and fortitude of our Caribbean people. As such, we will continue to work in partnership with different groups to create the future we all desire.

ACKNOWLEDGEMENT

Throughout the year, we maintained the focus, the commitment and the determination of our executives and key decision makers, our Board and the leadership, whose main goal is to ensure that JMMB excels as an outstanding financial services company. On this note, we would like to extend our sincere gratitude to the Board and leadership team for their continuous hard work in this demanding market environment. JMMB recognizes that its real strength is its team members and so we salute our team members for their unwavering commitment to serve.

WELL-POSITIONED FOR THE FUTURE

For 20 years, JMMB has been setting standards of achievement. Throughout this time, we have been building for the future, a future which in our view has never held a greater measure of promise for those with a stake in our success.

JMMB Group's future will encompass growth, broader financial services offerings and professional and exceptional service delivery to the thousands of clients we serve. We are committed to meeting and embracing the challenges ahead, as our team continues to work together to maximize returns for all our shareholders, stakeholders and investors.

Dr. Noel A. Lyon
Group Chairman

Keith P. Duncan
Group Chief Executive Officer

RE-BRANDING: The School of Entrepreneurship, now called the Joan Duncan School of Entrepreneurship, Ethics and Leadership (JDSEEL), College of Business and Management, UTech was renamed to promote ethical standards in business, reduce corruption in Jamaica and foster socio-economic development, as well as to honour JMMB's co-founder, Joan Duncan. An $81.7 million Endowment Fund is expected to help to advance teaching and research. From left are: Hon. Audley Shaw, former Minister of Finance; Professor Errol Morrison, President of the University of Technology; Dr. Noel Lyon, JMMB's Chairman; Mrs. Donna Duncan-Scott, Group Executive Director, Culture & Leadership Development and Mrs. Patricia Sutherland, former Executive Director, Business Operations. Partially hidden is Keith Duncan, Group CEO. The latter three stood proudly representing Joan Duncan's children.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be held at The Jamaica Pegasus Hotel, Grand Jamaican Suite 81 Knutsford Boulevard, Kingston 5, Jamaica on Wednesday September 26 , 2012 at 10.00 a.m. for the purpose of transacting the following business, namely:

1. To receive the audited accounts for the twelve (12) months ended March 31, 2012.

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

"THAT the audited accounts for the twelve (12) months ended March 31 2012, 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 Twelve (12) Cents paid on November 30 2011, a special dividend of Eight (08) Cents paid on November 30 2011 and Eleven (11) Cents paid on June 28 2012 making a total of Thirty One (31) 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. Anne Crick, Mr. Rodger Braham and Mr.V. Andrew Whyte who being eligible offer themselves for re-election.

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

(a) THAT Dr. Anne Crick be and is hereby re-elected a Director of the company;

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

(c) THAT Mr. V. Andrew Whyte 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 conclusion of the next annual general meeting at a remuneration to be fixed by the Directors of the Company".

Dated this 29 day of June 2012
By Order of the Board

Carolyn DaCosta
Secretary
REGISTERED OFFICE
6 Haughton Terrace
Kingston 10

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

Ten-Year Statistical Review

	Year ended 31-Mar-12 (J$`000)	Year ended 31-Mar-11 (J$`000)	Year ended 31-Mar-10 (J$`000)	Year ended 31-Mar-09 (J$`000)
GROUP FINANCIAL DATA				
Total assets	124,736,554	113,019,058	122,975,370	111,193,465
Securities purchased under agreements to resell	2,553,739	679,234	2,473,540	1,455,155
Investment Securities	108,153,801	98,233,393	104,887,535	96,260,862
Other earning assets	7,532,861	6,762,857	7,283,426	5,879,387
Property, plant and equipment	1,102,968	991,427	1,007,805	1,075,741
Repurchase agreements	107,591,924	97,068,266	102,844,985	90,110,998
Stockholders' equity	10,872,131	9,402,331	6,890,736	5,326,814
Funds under management	121,683,458	111,423,910	122,876,617	110,184,670
PROFITS AND DIVIDENDS				
Operating revenue net of interest expense	5,987,479	4,073,084	3,095,678	4,849,213
Operating expenses	3,214,703	2,585,949	2,109,128	2,455,567
Profit before tax	2,814,017	1,509,635	1,028,312	1,544,528
Net profit	2,240,456	1,142,930	986,378	1,102,622
Dividends paid and proposed	453,650	234,142	204,874	175,606
Profit retained (in respect of the financial year)	1,786,806	908,788	781,504	927,016
FINANCIAL RATIOS				
Earnings per stock unit (cents)	151	76	67	75
Dividends per stock unit (cents)	31	16	14	12
Dividend payout ratio	20.2%	20.5%	20.8%	15.9%
Price earnings ratio	6	6	6	8
Return on average equity	22.10%	14.03%	16.15%	18.42%
Return on average assets	1.88%	0.97%	0.84%	1.03%
Book value per stock unit (J$)	7.42	6.43	4.71	3.64
Net interest margin	2.99%	2.38%	1.66%	1.31%
Efficiency ratio (Admin. exp/ Revenue)	53.59%	63.08%	67.80%	49.70%
Capital Adequacy Ratio (Company only)	22.61%	39.88%	44.60%	47.40%
OTHER DATA				
Exchange rate J$ per US$1.00	87.10	85.63	89.39	88.35
Inflation rate (year over year) (%)	7.30%	7.80%	13.31%	12.40%
Market Price per share (JSE closing price-J$)	9.81	4.61	4.00	6.00
Number of stock units at year end	1,463,386,752	1,463,386,752	1,463,386,752	1,463,386,752
Market capitalisation (J$)	14,355,824,037	6,746,212,927	5,853,547,008	8,780,320,512

Year ended 31-Mar-08 (J$`000)	Year ended 31-Mar-07 (J$`000)	Year ended 31-Mar-06 (J$`000)	Year ended 31-Mar-05 (J$`000)	13 months ended 31-Mar-04 (J$`000)	Year ended 28-Feb-03 (J$`000)
102,415,766	89,618,957	81,880,170	63,889,888	61,215,631	48,945,993
5,487,875	4,116,240	9,376,949	8,839,025	18,059,384	8,247,468
85,570,383	76,362,152	63,285,620	48,481,878	37,828,581	36,027,531
5,586,956	5,451,464	5,276,891	3,021,790	3,400,938	2,164,638
966,017	747,940	685,153	432,193	326,996	298,216
88,246,690	77,353,059	70,761,258	54,791,793	55,102,420	46,184,956
6,644,413	7,166,896	7,198,449	5,800,961	4,012,109	1,861,536
111,757,466	88,631,247	79,414,404	63,982,494	63,833,807	52,268,700
3,324,949	3,384,483	2,845,131	2,566,810	1,990,529	1,521,068
2,177,396	1,708,729	1,496,190	1,206,293	1,001,663	834,320
1,254,902	1,526,459	1,844,422	1,765,177	1,518,604	934,575
1,061,610	1,098,603	1,590,430	1,648,481	1,547,155	1,038,252
336,579	292,677	263,411	263,411	234,142	180,093
725,031	805,926	1,327,019	1,385,070	1,313,013	858,159
73	75	109	113	106	71
23	20	18	18	16	12
31.7%	30.6%	16.6%	15.9%	15.13%	17.35%
16	14	12	15	16	10
15.37%	15.30%	24.47%	33.60%	52.68%	55.77%
1.11%	1.28%	2.18%	2.64%	2.81%	2.12%
4.55	4.90	4.92	3.96	2.74	1.27
1.59%	1.62%	1.71%	3.17%	2.43%	1.68%
65.49%	50.52%	52.60%	47.00%	50.32%	54.85%
N/a	N/a	N/a	N/a	N/a	N/a
71.02	68.14	65.50	61.54	60.90	53.74
19.90%	6.60%	11.10%	12.40%	17.30%	5.70%
11.75	10.50	12.62	17.00	16.65	7.42
1,463,386,752	1,463,386,752	1,463,386,752	1,463,386,752	1,463,386,752	1,463,386,752
17,194,794,336	15,365,560,896	18,467,940,810	24,877,574,784	24,365,389,421	10,858,329,700

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

JMMB HEADQUARTERS
6 Haughton Terrace
Kingston 10
Tel: 876 920-5040-1
Fax: 876 960-9546 or 920-7281
Opening Hours:
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 am – 5:00 p.m.
Saturdays 10:00 a.m. – 2:00 p.m.

Knutsford Boulevard Branch
11 Knutsford Boulevard
New Kingston
Kingston 5
Tel: 960-3911
Fax: 960-3927 or 960-4455
Mondays – Fridays 8:30 a.m. – 4:00 p.m.

Junction Agency
Shop 2, Roye's Plaza
Main Street, Junction
St. Elizabeth
Tel: 876 965-8005
Mondays – Fridays 9:00 a.m. to 4:00 p.m.

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

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

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

Montego Bay Branch
Suite 1 - Fairview Office Park
Alice Eldemire Drive
Montego Bay, St. James
Tel: 876 979-6052
Fax: 876 979-1566
Mondays – Fridays 9:00 a.m. – 4:00 p.m.

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

JMMB GROUP

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.

JMMB INSURANCE BROKERS LIMITED

3rd Floor
11 Knutsford
New Kingston
Kingston 5
Tel: 876 920-5040-1
Fax: 876 960-3927 or 876-998-9380
Mondays – Fridays 8:30 a.m. – 4:00 p.m.

ETM DUAL CURRENCY SERVICE (US$ & J$)

Haughton Terrace
Knutsford Boulevard
Portmore
Montego Bay
Ocho Rios
Mandeville
Santa Cruz

ETM SERVICE (J$)

May Pen

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

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

JMMB 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 – Secretary
Ricardo Ginerbra
Roberto Jimenez Collie
Guillermo Arancibia – Country Manager

ASSOCIATED COMPANIES

Intercommercial Bank Limited
DSM Plaza, Old Southern Main Road
Chaguanas
Trinidad and Tobago
Tel: (868) 665-4425
Fax: (868) 665-6663
Website: www.ibltt.com

Intercommercial Trust And Merchant Bank Limited
Furness Building
90 Independence Square
Port of Spain, Trinidad and Tobago
Tel: (868) 627-3264 or 6275068 or 623-0924
Fax: (868) 665-6663

For the convenience of our expanded shareholder family, please see information below on the Capital and Credit Financial Group

CAPITAL AND CREDIT MERCHANT BANK

Head Office and New Kingston Branch
6-8 Grenada Way
Kingston 5,
Jamaica, W.I.
Telephone: (876) 960-5320
Toll Free: US and Canada: 1-866-858-8269
England: 0-800-085-7910
Fax: (876) 960-1381

Montego Bay Branch
25 Church Street
Montego Bay, St. James,
Jamaica, W.I.
Telephone: (876) 979-1707
Fax: (876) 952-4647

Ocho Rios Branch
8 Main Street,
Ocho Rios St. Ann,
Jamaica, W.I.
Telephone: (876) 974-8507
Fax (876) 974-8631

CAPITAL & CREDIT SECURITIES LTD. & CAPITAL & CREDIT FUND MANAGEMENT LTD.

Kingston
10-16 Grenada Way
Kingston 5
Jamaica, W.I.
Telephone: (876) 946-1770
Fax: (876) 906-9885

Montego Bay
25 Church Street
Montego Bay, St. James,
Jamaica, W.I.
Telephone: (876) 979-1707
Fax: (876) 952-4647

Ocho Rios
8 Main Street
Ocho Rios, St. Ann
Jamaica W.I.
Telephone: (876) 974-8507; Fax: (876) 974-8631

CAPITAL & CREDIT REMITTANCE LTD.

10 - 16 Grenada Way
Kingston 5,
Jamaica, W.I.
Telephone: (876) 929-1660
Toll Free 1-888-991-2062/7
Fax: (876) 960-2833
E-mail: ccrl-transfers@capital-credit.com

Directors' Report

The Directors are pleased to present their report for the year ended March 31, 2012. The report presents the results for Jamaica Money Market Brokers Limited and its subsidiaries (collectively referred to as "the Group") and its interest in associated companies.

GROUP RESULTS

Operating revenue net of interest expense was J$5.99 billion (2011: J$4.07 billion).

The profit before income tax was J$2.81 billion (2011: J$1.51 billion).

The profit attributable to equity holders of the parent after income tax was J$2.22 billion (2011: J$1.12 billion) .

Shareholders' equity was J$10.87 billion (2010: J$9.40 billion).

The Directors recommend that the interim dividends paid on November 30, 2011 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. Anne Crick, Mr. Rodger Braham and Mr. V Andrew Whyte 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 wish to express our deep and sincere appreciation to the clients for their continued support and partnership.

By Order of the Board

Dated this June 29, 2012

Carolyn DaCosta
Secretary
REGISTERED OFFICE
6 Haughton Terrace
Kingston 10

Courage

There is a moment when resolution triumphs over fear
When we chase our dreams against the blustering wind
This is our moment of courage
And as we move forward, guided by the lessons of those who journeyed before us,
Taking on new challenges in new cities,
May courageousness endure and multiply.

A young man being mentored as part of Youth Upliftment Through Employment (Y.U.T.E.), a programme aimed at empowering 'unattached' young people in troubled communities in Kingston, Jamaica – one of the signature Corporate Social Responsibility initiatives that JMMB supports.

JMMB GROUP

Proven Expertise

Effective Corporate Governance

Board of Directors

DR. NOEL LYON
CHAIRMAN

KEITH DUNCAN
GROUP CHIEF EXECUTIVE OFFICER

DONNA K. DUNCAN-SCOTT
GROUP EXECUTIVE DIRECTOR, CULTURE & LEADERSHIP DEVELOPMENT

JMMB GROUP

ARCHIBALD A. CAMPBELL
DEPUTY CHAIRMAN

DR. ANNE CRICK

RODGER BRAHAM

DENNIS L. HARRIS

CAROLYN DACOSTA
COMPANY SECRETARY

HUGH DUNCAN

V. ANDREW WHYTE

WAYNE SUTHERLAND

Profiles of the Board of Directors

NOEL LYON, PhD.
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. JMMB Puesto de Bolsa, S.A. , JMMB Dominicana, S.A., Intercommercial Bank Ltd., and Intercommercial Trust and Merchant Bank Ltd.

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 Ltd., Jamaica Bauxite Mining Co. Ltd., Jamaica Stock Exchange Ltd., Jamaica Unit Trust Services Ltd., Clarendon Alumina Production Ltd. and Braco Resorts Ltd.

Dr. Lyon attended Kingston College, the University of Guelph (B.S.A., M.Sc.), Harvard University (Ph.D. Economics) and Harvard Business School.

ARCHIBALD A. CAMPBELL, F.C.A., MSc.
DEPUTY CHAIRMAN

Archibald was appointed Deputy Chairman of JMMB in 2004 and is Chairman of the Board of Trustees of the JMMB Pension Fund and the Risk, Acquisition, Audit and Finance sub-committees of JMMB.

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

He is the immediate past 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, CFA
GROUP CHIEF EXECUTIVE OFFICER

Keith 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 fulfil the mission of creating and reforming Jamaica's youth to become purposeful citizens. In continuing this service, he joined efforts to design and implement the Youth Upliftment Through Employment programme (Y.U.T.E), a private sector-led initiative, and is a board member of the Y.U.T.E. Project.

Keith holds a B.A. (Economics) from the University of Western Ontario, Canada and is a Chartered Financial Analyst.

DONNA K. DUNCAN-SCOTT, CFA, MBA GROUP EXECUTIVE DIRECTOR, CULTURE & 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, Donna took on the mantle of Managing Director of JMMB, maintaining the company's premier position as industry leader and, together with the team, established the largest brokerage house in the Caribbean. She demitted the office of Managing Director in 2005 to give more focus to raising her two daughters.

She then assumed the position of Group Executive Director with responsibilities for Culture and Leadership Development. Currently she leads the design and development of programmes and practices to deepen JMMB's unique culture of being in the world of team members and clients and having their best interest at heart. In addition, her team has overall responsibility for the welfare and development of JMMB team members – understanding their strengths, goals and dreams and providing the relevant support to realise their full potential.

Donna has a B.Sc. in Engineering, as well an MBA from the Richard Ivey School of Business at the University of Western Ontario in Canada. She holds the distinguished Certified Financial Analyst accreditation.

HUGH DUNCAN, MBA

Hugh has over 20 years experience in the energy and financial services sectors.

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. Hugh also held the position of Director, Capital Markets at FirstCaribbean International Bank for the North Caribbean region and subsequently was Managing Director of Intercommercial Bank Group Limited from 2006 to 2011. His career includes tenure in the energy sector, having worked with the Jamaica Bauxite Mining Company and subsequently Trinidad & Tobago Oil Company.

Hugh holds an MBA from Concordia University and a Bachelor of Commerce degree from Montreal's George Williams University.

DENNIS L. HARRIS, FCCA

Dennis was appointed to the JMMB Board in January 2000 and sits on both the Human Resource, Risk and Audit and Finance sub-committees.

In 2011, Dennis assumed the position of Managing Director of Unicomer Jamaica (Courts), building on the strong track record established while he was the Regional Finance Director for Courts Jamaica Ltd.'s operations in the Caribbean with specific responsibility for Finance, Treasury, Credit and Information Technology. Dennis also serves as a Director on the Board of Unicomer (formerly Courts) Jamaica Limited and CGM Gallagher Group Limited and is a Chartered Accountant.

WAYNE SUTHERLAND, MBA

Wayne is Managing Director of Jamaica Venture Fund Ltd., a company that makes venture capital investments. He was appointed to the 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 Jamaica Exporters Association Champion Exporter in 1992. Wayne also sat on boards of the ICD Group. A former Director of Jamaica's Securities Commission, (now the Financial Services Commission), Wayne is currently Chairman of Kencasa Construction & Project Management Limited and St. Hugh's Preparatory School Board and sits on several other boards including Mapco Printers Limited. He is a former Captain of the Kingston Cricket Club Senior Cup Team and member of Jamaica's Under 19 national cricket team. He holds a Bachelor of Science degree from UWI and an MBA from the Columbia University Graduate School of Business.

V. ANDREW WHYTE, MBA

Andrew sits on the Audit, Finance, Risk Committees and chairs the Credit Committee of the JMMB Board. 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 services industry. He is the Chairman of the Board of Trustees of the JPG Pension Plan.

Andrew has an MBA and a BSc. in Chemical Engineering.

ANNE CRICK, PhD.

Appointed to the JMMB Board in 2006, Anne chairs the Human Resource, Nominations and Corporate Governance sub-committees.

Anne 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 also 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), a Master of Science degree (Hons.) from Pennsylvania State University, and a B.Sc. in Hotel Management (UWI).

RODGER BRAHAM, ACIB, BBA, PMD

With over 30 years experience in commercial and development banking, with specialised experience in debt and organizational restructuring, Rodger was appointed to the JMMB Board in July 2008. He sits on JMMB's Credit and Risk sub-committees, having assisted the Company in developing and operationalising its credit policy and procedures in 2007.

Rodger is also a former 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 and a Bachelor in Business Administration from the University of Technology. He has also participated in Harvard University's Programme for Management Development.

CAROLYN DACOSTA, MBA, J.P. COMPANY SECRETARY

Carolyn joined the Company in 1995 as a Supervisor in the branch network. She has subsequently held several 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, and a Justice of the Peace for St. Catherine.

Disclosure of Shareholdings

SHAREHOLDINGS OF DIRECTORS AND CONNECTED PARTIES

Directors	Shareholding-Ordinary	Connected Parties
Noel A. Lyon	NIL	
	44,775,196	Gracelyn O.E. Ltd.
	46,261,146	JVF O.E. Ltd.
	10,000	Nicole Lyon
Donna Duncan-Scott	7,678,110 (ESOP)	
	28,548	Alwyn Scott
	50,245,884	JVF O.N. Ltd.
	51,892,839	Concise O.N. Ltd.
Archibald Campbell	18,400	
	344,827	Odette Campbell
Keith P. Duncan	19,454	
	2,246,745 (ESOP)	
	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.
	37,912,700	JVF R.I. Ltd.
Dennis Harris	NIL	
Dr. Anne Crick	5,000	
Hugh Duncan	4,828	
Rodger Braham	NIL	

SHAREHOLDINGS OF DIRECTORS AND CONNECTED PARTIES

Executive Team Leaders	Shareholding-Ordinary	Connected Parties
Donna Duncan-Scott	7,678,110 (ESOP)	
	28,548	Alwyn Scott
	50,245,884	JVF O.N. Ltd.
	51,892,839	Concise O.N. Ltd.
Keith Duncan	2,246,745 (ESOP)	
	19,454	
	59,965,366	Concise E.I. Ltd.
	48,681,216	JVF E.I. Ltd.
Sheldon Powe	2,022,857 (ESOP)	
	23,000	
Carolyn DaCosta	57,921 (ESOP)	
	1,039,809	
Kisha Anderson	57,921 (ESOP)	
	660,395	
Paul Gray	55,854 (ESOP)	
	658,507	
Julian Mair	239,711 (ESOP)	
	212,500	
Patrick Ellis	966,872(ESOP)	
Patricia Sutherland	52,512,640	Concise R.I. Ltd.
	37,912,700	JVF R.I. Ltd.
Janet Patrick	808,823 (ESOP)	
	18,000	
Imani Duncan- Price	1,043,767 (ESOP)	
	4,900	Stephen Price

SHAREHOLDERS AND SHAREHOLDINGS

SHAREHOLDERS	NCB CAPITAL MARKETS (IN ESCROW)	TRUSTEES JMMB ESOP	COLONIAL LIFE INSURANCE CO LTD.	CONCISE A.V. LTD.	CONCISE E.I. LTD.	CONCISE R.I, LTD.	CONCISE O.N. LTD.	JVF O.N. LTD.	JVF E.I. LTD.	JVF O.E. LTD.
SHAREHOLDINGS	428,777,325	171,342,702	103,453,776	60,469,342	59,965,366	52,512,640	51,892,839	50,245,884	48,681,216	46,261,146
%	29.300	11.709	7.069	4.132	4.098	4.098	3.546	3.434	3.327	3.161

Power

Power is not measured by brute muscle.
Power is the strength to stand beside others
and encourage them to be their best
Power, not dominance over our fellow men.
Power is treating others with the kind
of respect that inspires
them to treat everyone with the dignity we all deserve.
Power is passion in action
Let us all live truly empowered.

JMMB GROUP

Applied Knowledge
Expertise

Regional Macroeconomic Landscape:

Jamaica, Dominican Republic and Trinidad & Tobago

JERMAINE BURRELL
JMMB's
Senior Economist and Sovereign Research Manager.

JAMAICA

The 2011/12 fiscal year was one of mixed fortunes for the Jamaican economy. The positives for the year included historically low interest rates, a stable currency, lower mortgage rates and an initial IMF agreement. These positives however, were offset by the ongoing challenges in Greece and the Eurozone; the normal concerns associated with a general election and no IMF test result for at least four quarters. The United States, our major global partner, also experienced unemployment, minimal growth and general economic challenges.

The absence of an IMF agreement and indications that there will not be an actual signing by mid to late 2012, could see the economy experiencing bouts of volatility. However, the latest set of revenue measures put forward by the government gives the international markets a clear signal that Jamaica is aware of its fiscal challenges and is aiming to stem the tide of debt and fiscal deficits going forward. We acknowledge that the deficit target of 3.8% of GDP and the primary balance target of 6% of GDP are ambitious but if political will is strong we could near the targets.

INTERNATIONAL MARKET IMPACT

On the international arena, geopolitical risk, weather related shocks and ongoing concerns about the Eurozone affected overall global growth. The US economy for the first time in its history received a downgrade from international rating agency Standard & Poor's (S&P) because of its projected debt profile and the United States Congress' inability to reach consensus on how to address the issue. Greece finally reached an IMF agreement in the first quarter of 2012 but by May, the new Prime Minister faced general elections which saw the people registering their discontent by voting for "far left" parties who were against austerity measures. New elections are currently scheduled and consequently the uncertainty lingers.

On the positive side, the recent uptick in the US economy and upward revision (0.2 percentage points) of IMF global growth forecast is worthy of note. Unemployment in the world's largest economy and Jamaica's major trading and global economic partner has come down from its post-Lehman high of 10% to hover in the 8.3% range. This has positive implications for unemployment among African-Americans in the US and consequently remittance inflows to Jamaica. There are also positive implications for tourism which continues its resilience despite the global concerns. The sector continues to show strong arrivals through diversity, strategies targeting virgin markets and hotel room discounting. Bauxite alumina has also shown moderate recovery as demand for cars and aluminum based products slowly improve. The financial year was also characterized by improved activity in the local financial markets via the buzz from the JSE Junior market, strategic initiatives from some large players and the aggressive management of non-performing loan delinquencies.

MAJOR ECONOMIC INDICATORS

Inflation

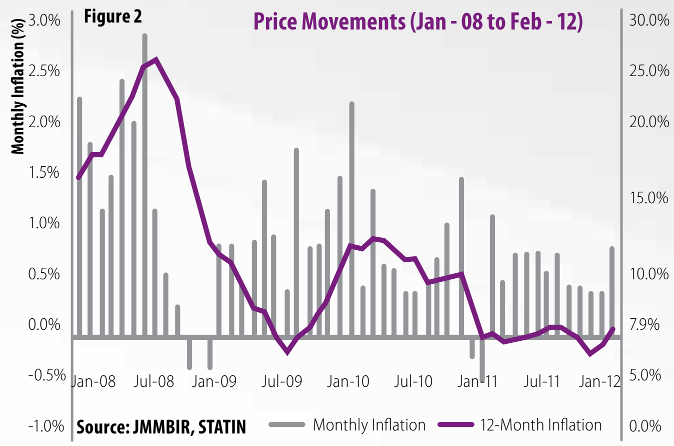
Twelve month inflation closed fiscal year 2011/12 at 7.3%, maintaining the consistent single digit levels which characterized the year. In the previous fiscal year, the 12-month rate of inflation was consistently in double digits averaging approximately 11.4%. The softer inflation outturn came within the context of a relatively stable currency performance, moderate non-oil commodity price momentum and relatively tepid demand conditions locally. Supply shocks were also minimal as weather conditions remained favourable for the most part.

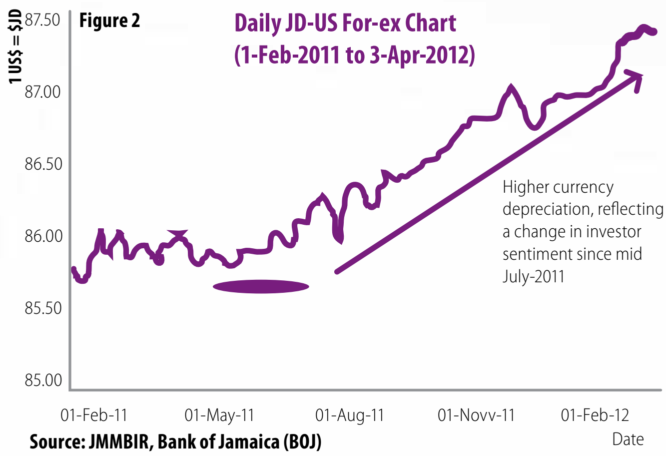
The outlook suggests that weak domestic demand will remain a feature of the Jamaican economy in the upcoming fiscal year. Austerity measures including tax increases, a possible public sector wage freeze and a renewed attempt to catch tax dodgers are fiscal policy initiatives which suggest that demand pull inflation will be weak. We are mindful that the risk to the forecast stems from global commodity prices shocks (oil) as well as weather related issues. However, the projected response from consumers to the possible shocks is a reduced appetite for spending and where possible increased savings.

The Exchange Rate

The JD-US exchange rate gradually reverted to a depreciating position during the course of fiscal year 2011/12. In spite of the Bank of Jamaica's (BOJ's) presence in the foreign exchange market, negative investor sentiments and increases in global oil prices towards the latter end of the year were too much to be absorbed comfortably by the Net International Reserves (NIR). The negative market sentiment was fuelled mainly by a tenuous IMF-Jamaica relationship, a deteriorating fiscal profile, continued weak multilateral loan support and a lowered outlook by S&P.

The NIR at US$1.77 billion currently stands below the market sensitive US$2 billion mark, but is above the internationally accepted level of reserve adequacy (12-weeks). The Global 2012's mature at the end of July and is a relatively large issue (€200 million). This bond will either have to be rolled over, in a worse case scenario, paid out from the NIR or likely a combination of both.



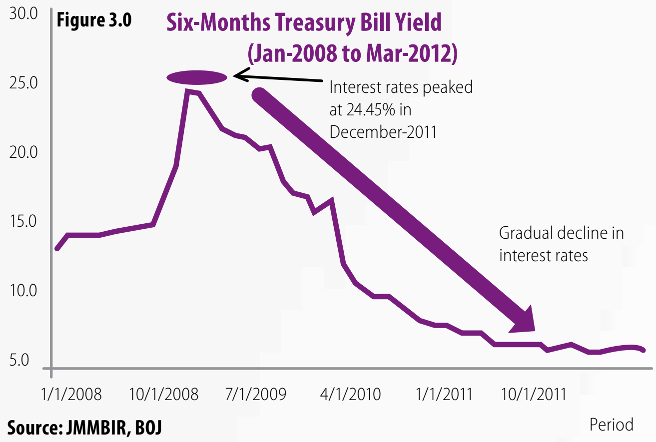


Depending on how receptive the global markets are to a sovereign that has recently experienced a default and is currently rated at "B-" with a negative outlook, Jamaica could face challenges in raising financing at reasonable costs. Consequently there are downside risks to the NIR and the central bank's capacity to defend the currency.

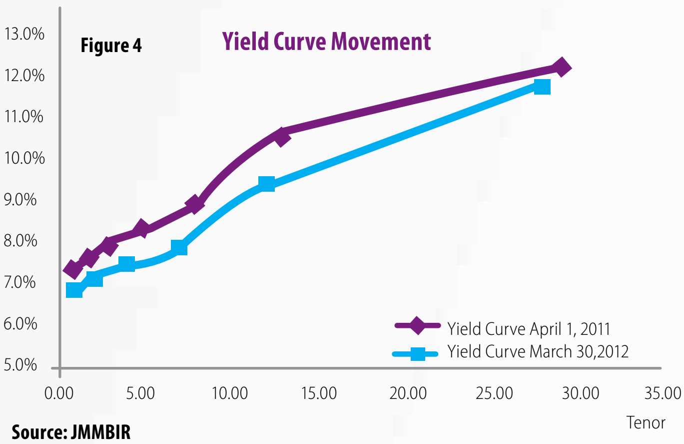
On the positive side, Jamaican investors buy what they know and historically GOJ globals have received excellent domestic support. However on the "know" side, Jamaican investors are aware of the government's challenges and the risks which exist. We caution however, that the fiscal dynamics cannot support excessive currency pressures and for all concerned moral suasion and an orderly depreciation of the currency is the most feasible outcome.

Interest Rate Review

Domestic interest rates in Jamaica are the lowest that they have been since at least the 1980s. The impact of the JDX has been the setting of a hypothetical ceiling above which losses to domestic bond holders begin to accrue at a burdening rate. This fact combined with moral suasion and the maturity of the domestic financial market has ensured an unprecedented level of stability (Figure 3). Yields on the 6 month t-bill has fluctuated within the range of ± 39 basis points for the major portion of the fiscal year.



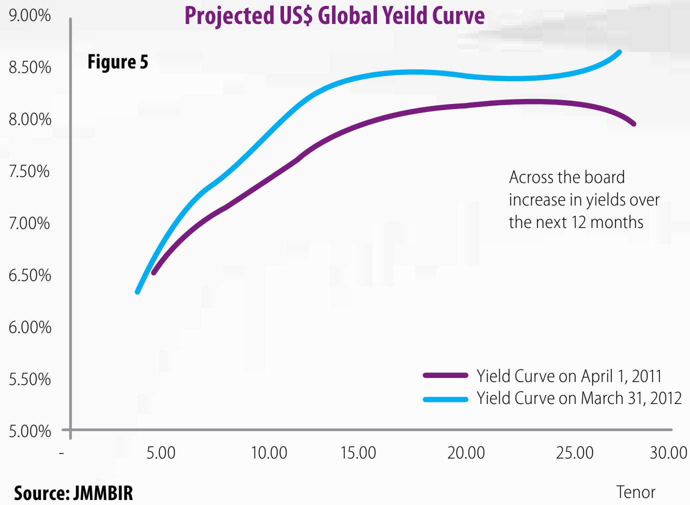
Source: JMMBIR, BOJ



Source: JMMBIR

Throughout the year, the BOJ significantly reduced the rate applicable to its 30-day Certificates of Deposit (CDs). The rate applicable to BOJ 30-day CDs was reduced from 6.75% to 6.25% through two rounds of cuts at 25bps each. The BOJ has also maintained the rate applicable to its 30-day CD at 6.25%, following the last reduction in September 2011.

The downward shift of the J$ yield curve is shown in Figure 4 with all tenors showing declines, especially the middle of the curve. The early stages of the fiscal year was characterized by strong fiscal data, managed government borrowing, relative currency



Source: JMMBIR

stability and an IMF programme that was in the early stages of delay. This created the enabling environment for lower Jamaican dollar yields.

We must highlight the fact that low interest rates have to be maintained. An uncontrolled upward movement in interest rates would deteriorate the balance sheets of clients, financial institutions as well as the government's fiscal targets.

The movement in global bond yields has been quite the opposite of what occurred on J$ yields. Global yields across all tenors have increased over the previous 11 months (Figure 5). This movement is quite understandable given the downgrade to SD following JDX and the subsequent upgrade after to "B-". The rating upgrade after JDX was below what the markets have come to accept for Jamaica, i.e. a rating of "B".

The forecast suggests that economic fundamentals are weak and a downgrade is possible without an IMF agreement. The IMF agreement will depend heavily on implementation.

The view is that Jamaica has a credibility issue with the Fund which can only be overcome by tough fiscal decisions in totality and not in a "piece meal" fashion. The recent revenue measures represent a good start.

The Fiscal Situation

The recent preliminary budget tabled by the Minister of Finance in June 2012 shows a marginal increase in expenditure (2.7%), an aggressive revenue growth target (which includes a tax package of approximately J$23 billion) and an aggressive fiscal (3.8% of GDP) and primary balance target (6% of GDP).

The revenue measures are expected to see at least slight to moderate deviations given the outcry from many avenues. However, based on the need to send a clear signal to the capital markets that Jamaica intends to stem the tide of its debt and fiscal deficits as well as to increase credibility in the eyes of the IMF; the agreement for the most part could stand.

In our opinion, the revenue measures are aggressive and many businesses and households could experience hardships. The ability to expand the labour force should also be constrained with a contraction possible. However, Jamaicans must understand that they have to pay their taxes. For too long persons have evaded taxation and the country's infrastructure has paid the price. The government must also shoulder some of the blame with poor management of resources with waste being a major contributing factor. Our roads, schools, hospitals, nursing homes and countless other social amenities have long been neglected. This budget will not address these problems but it could guide us in the right direction over the medium term.

From a medium term perspective, again the targets are ambitious and we must note that we have seen medium term targets before. Often the targets have been derailed by either exogenous (weather related etc.) shocks, weak economic performance, wage increases but more often than not, a lack of political will.

The medium term fiscal profile also reflects a trend reduction in the Wages/

Line Items	Actual FY2011/12	Preleminary Budget 2012/13	Nominal Deviation	%-age Increase Y-O-Y
Revenue and Grants	322,457.2	337,900.0	15,442.8	4.79%
Tax Revenue	289,882.1	313,800.0	23,917.9	8.25%
Non Tax Revenue	17,017.0	17,100.0	83.0	0.49%
Bauxite Levy	1,524.7	1,700.0	175.3	11.50%
Capital Revenue	10,585.1	1,000.0	-9,585.1	-90.55%
Grants	3,448.6	4,200.0	751.4	21.79%
Expenditure	403,191.7	414,258.0	11,066.3	2.74%
Recurrent Expenditure	349,960.7	375,003.9	25,043.2	7.16%
Programs	89,699.5	90,660.3	960.8	1.07%
Wages and Salaries	139,557.0	147,810.1	8,253.1	5.91%
Interest	120,704.5	136,533.5	15,829.0	13.11%
Domestic	81,617.4	90,080.9	8,463.5	10.37%
External	39,087.1	46,452.7	7,365.6	18.84%
Capital Expenditure	53,230.9	39,254.1	-13,976.8	-26.26%
Fiscal Balance	**-80,734.4**	**-64,558.6**	**16,175.8**	
Primary Balance	**39,970.0**	**56,167.0**	**16,197.0**	

Benchmarks	**Outturn**	**New Targets**
Fiscal Deficit/GDP	-6.2	-3.8
Primary Balance/GDP	3.1	6.0

Source: JMMBIR, MOF

GDP ratio to the 9% ceiling by FY 2015/16. The government has further hinted that there will likely be (I) no increase in Central Government employment levels; (II) the payment of annual performance increments of 2.5%; and (III) a phased implementation of the health sector reclassification programme.

What the budget lacks however, is a clear growth agenda. We acknowledge that there will have to be spending cuts and increased taxation but with the little that remains we can allocate towards greater efficiency. Creating a "one stop shop" for businesses will mean the elimination of red tape and which will allow entrepreneurs faster access to low cost funding, and potential growth of the economy.

GROWTH OUTLOOK

For the 2012/13 fiscal year, the domestic growth outlook is benign. Projections suggest growth in the region of 1%. While this number represents the long run trend growth over the last 20 years, it is still anaemic according to the IMF and way below what is necessary to pull Jamaica out of the current slump. From an FDI (Foreign Direct Investment) perspective, investors have shied away from risky assets in general, including Emerging Markets. Jamaica's low rating ("B-") is a concern and further its negative outlook. Recall that a "one notch" downgrade places Jamaica in the category of "CCC+" or imminent default.

Jamaica's Medium Term Fiscal Targets

Fiscal Balance (%GDP)	2010/11(Act)	2011/12(Prov)	2012/13	2013/14	2014/15	2015/16
Target Fiscal Balance	-6.50%	-4.60%	-3.80%	-2.70%	-1.50%	0.00%
Est. Fiscal Balance	-6.20%	-6.20%	-5.90%	-5.00%	-4.00%	-2.90%
Fiscal Balance Gap	-0.30%	1.60%	2.10%	2.30%	2.50%	2.90%

Source: MOF

The nation's high energy and security costs as well as bureaucratic red tape do not augur well for investment. A key pillar of any strategy towards the 2030 targets must be the elimination of these challenges. The IMF's latest World Economic Outlook (WEO) report has identified weak tourism and remittance inflows as the Caribbean's major challenges as a region. While Jamaica has shown strength in tourism arrivals, the impact of room discounting and a reduction in the spend per tourist are note-worthy key matrices.

Undoubtedly the impact of improved growth in the US and reduced unemployment are positives for Jamaica. However, challenges in terms of the housing market, fluctuations in consumer demand and the ongoing challenges in Europe are constraints to the forecast.

Finally, this year should see a continuation of weak growth; austerity measures in the form of increased taxation, a public sector salary freeze, pension and taxation reform which should reduce disposable income are a challenge. High oil prices and its impact on cost of living could further constrain growth.

DOMINICAN REPUBLIC

Economic activity in the Dominican Republic (DR) for 2011 declined relative to 2010 but economic growth still came in at a creditable 4.5%. The calendar year 2010 saw robust growth of 7.8% as investments drove the economy. The slowdown in 2011 was consistent with the objective of the monetary authorities, to avert a potential overheating of the economy in the face of rising inflationary pressures. Nevertheless, the 4.5% growth was supported by strong performances in the mining and manufacturing industries that recorded double digit expansions.

Over the financial year, the Central Bank's key monetary policy rate was adjusted to keep inflation in check. Early in the calendar year, the Central Bank of DR raised interest rates for three consecutive months by a cumulative 1.75 percentage points. Interest rates have remained unchanged since the last interest rate adjustment in April-2011. Peso denominated yields fluctuated over the course of the calendar year with no strong movement in either direction. Currency and balance of payments (BOP) concerns early in the calendar year precipitated an increase in yields at short end. Following a strengthening of foreign reserves in the latter part of the year and the gradual dissipation of noise around elections, yields reflecting improved confidence achieved some stability.

Inflation remained outside of the Central Bank's target range for a substantial portion of the calendar year, at one point moving towards the double range. Later in the year, monetary authorities were able to manage inflationary impulses and consequently inflation now sits well within the monetary program's range at 4.04%. Core inflation (Inflation excluding volatile components such as

Central Bank of Dominican Republic
National Accounts and Economic Statistics Department

GROSS DOMESTIC PRODUCT (GDP)
1991-2011
(Millions of DOP$, chained values, reference 1991)

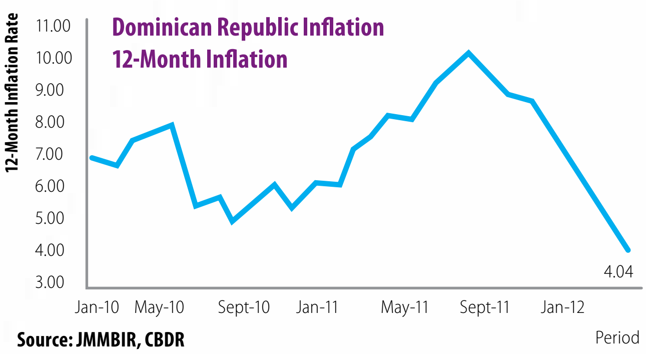
Detail	Growth rates (%)				
	07/06	08/07	09/08	10/09	11/10
Agricultural	1.2	-3.4	12.5	5.5	5.5
Industries	2.4	1.3	-2.5	7.8	6.0
Mining	-1.4	-30.3	-51.9	2.9	79.7
Local Manufacture	4.8	3.2	1.0	7.7	5.1
Free Trade Zone Manufacture	-10.0	-1.1	-14.6	3.4	14.1
Construction	3.2	-0.4	-3.9	11.0	1.4
Services	9.3	8.2	4.9	7.3	2.4
Value Added	6.2	4.9	3.2	7.3	3.7
Taxes less Subsidies on products	28.3	7.6	5.4	11.0	9.8
Gross Domestic Product	8.5	5.3	3.5	7.8	4.5

Source:JMMBIR, CBDR

food and energy) also remained stable. Along with the anticipated slowdown in domestic economic activity, more stable inflation rates were facilitated by tepid world demand and weak non-fuel based commodity price pressures. Nevertheless, the recent increase in oil price volatility and currency depreciation remains a main area of concern.

> "The 4.5% growth in the Dominican Republic's economy was supported by strong performances in the mining and manufacturing industries that recorded double digit expansions."

The implementation of new tax initiatives helped to boost the Central Government's tax receipts to RD$280.5 billion in 2011, which is approximately 10% higher than a year earlier. The new tax initiatives were mainly on sales, imports, and fuels. Central Government total expenditure amounted to RD$340.9 billion in 2011, which is an increase of 9.3% over 2010 levels. The general direction of government policy was towards reducing expenditure, but the impact of the spending cuts was offset by greater than expected increases in fuel prices, which led to significantly larger transfers to the electricity sector. The net result of the budget execution, on an accrual basis, was a deficit of RD$54.4 billion, equivalent to 2.6% of GDP.



Source: JMMBIR, CBDR

The overall outturn of the balance of payments (BOP) was a positive US$154 million in 2011. Given higher oil prices and the high weight of the oil bill as a proportion of total imports, the balance of payment came under pressure early in the calendar year and the current account deficit widened. Nevertheless the DR economy received a boost from foreign direct investment FDI inflows which grew by 25% (US$478 million) over the previous year. Consequently, the Net International Reserves (NIR) closed the year at record levels.

The Dominican Republic has managed to maintain a B+/Stable rating from Standard & Poor's Ratings Services. Credit Rating agencies have pointed to the nation's improving debt dynamics and its stable growth and export prospects as reasons for their current rating. Additionally, its advancements in structural and policy reforms contributed to its rating. Nevertheless, the rating agencies pointed out institutional impediments that remain unaddressed, such as the usual political interference in the decision-making process.

After the May 2012 elections, the ruling party of the Dominican Republic retained power. President elect Danilo Medina of the ruling party obtained approximately 51% of the vote, and the ruling party now has a strong position in congress. In this context, the ruling party should have less resistance in carrying forward policy initiatives. Though there may be challenges, the IMF program should get back on track more speedily. (See select economic indicators from Standard & Poor's (S&P) on **Page 36**).

TRINIDAD

The FY-2011/12 was challenging for Trinidad. Provisional data indicates that economic activity declined by 1.4% for calendar year 2011. However, despite the challenging period Trinidad remains the standard bearer for general economic development in the English speaking Caribbean. The economy's weak performance was attributed to lower domestic crude oil production due to the maturity of oil fields and the stoppage of methanol and natural gas production due to maintenance and improvement activities. Trinidad also suffered from the negative effects

Selected Economic Indicators-2011	Dominican Republic
Long-term foreign currency rating	B+
Nominal GDP (US$ bns)	55.9
Real GDP (% change)	4
Gross Debt/GDP Ratio	35.8
Fiscal performance/GDP	-3.3
Primary Balance/GDP	-0.4
Revenue/GDP	15
Expenditure/GDP	18.3
Interest/GDP	2.9
CAR/GDP	29.6
Current account balance/GDP	-8.4
Reserves/CAP (months)	1.5
Net FDI/GDP	3.9

Source: www.ratingsdirect.com, Standard & Poors

of reduced returns on investments globally and the impact of curfews in the latter part of the year as the growing crime rate became an issue.

For 2011 the fiscal deficit was 3.5%; we note however that because of Trinidad's modest debt/GDP ratio of approximately 20%, the country has significant room to run deficits without causing major concern from the rating agencies. Inflation for 2011 was also well contained, at approximately 5%, compared to 13.4% in 2010. The spike in inflation for 2010 was driven primarily by weather-related shocks and the impact on domestic food prices. The year 2011 represented a normalization of weather activity and consequently inflation.

The slowdown in economic activity had negative implications for unemployment. Unemployment up to the 3rd quarter of 2011 increased to 5.2% and is estimated at 6.5% for the close of 2011. Unemployment rose due to the delayed start-up of several government projects and a severe retraction in private sector construction projects. The decline in construction activity led to a 10.5% decline in cement sales for the first half of 2011. Approximately 15,500 jobs were also lost in the construction sector for the fourth quarter of 2010 (y-o-y).

For 2011, the TT economy maintained its healthy current account surplus (approximately 10%) due to massive oil and natural gas exports. Consequently, the currency maintained its relative stability of TT$6.40 to US$1 which it has maintained for at least the last 10 years. The current account surplus has also served to maintain the twin island republic's NIR at the US$9 billion mark.

On the monetary policy side, the central bank's repo rate was cut several times throughout the year to 3% in an attempt to jump start economic activity. Lending rates also declined but loan growth to both private businesses and consumers remained relatively benign despite the attempted monetary stimulus.

	TT Economic Fundamentals (Annual Percentage Change)				
	2007	**2008**	**2009**	**2010**	**2011**
Real GDP Growth	4.8	2.7	-3.3	0.0	-1.4
Energy Sector	1.7	-0.3	2.5	2.0	0.0
Non-Energy Sector:	7.6	4.9	-6.7	-3.8	-1.0
Agriculture	21.8	7.6	-32.4	60.2	-4.1
Manufacturing	16.3	4.1	1.4	1.6	1.0
Construction	7.1	4.5	-7.1	-28.4	-7.9
Financial Services	10.4	3.1	-4.5	8.1	4.3
Inflation (%)	7.6	14.5	1.3	13.4	5.3
Unemployment (%)	5.5	4.6	5.3	5.9	5.8
Fiscal Balance (%-of GDP)	1.7	7.3	-4.9	0.1	-0.7

Source: Central Bank of Trinidad & Tobago

The central bank is projecting growth for Trinidad in the region of 1.5% for 2012. The driving force behind the growth projections includes a number of government initiatives to increase investment and improvement in youth employment. The energy sector is expected to show improvement as the stoppages which affected 2011 should dissipate and maintenance and improvements should lead to increased output.

The non-energy sector is expected to improve due to government projects such as the construction of the Point Fortin highway and the refurbishment of public sector housing. The general economic environment should also be boosted by the aggressive policies geared at controlling crime. A separate budget for the Ministry of National Security, anti-gang legislation and a no non-sense approach to crime fighting should also bear fruit. The forecast from the CBTT (Central Bank of Trinidad and Tobago) also suggests that improvement in Caribbean economies should drive export growth and further diversification of exports to non-traditional markets which may prove beneficial.

	Economic Indicator	2007	2008	2009	2010E	2011E	2012F	2013F
Trinidad and Tobago	*GDP (%-age Change)*	4.754	2.737	-3.279	-0.024	-1.311	1.731	2.368
	GDP (Per Capita-US$)	16,607.11	21,297.87	15,007.76	15,844.90	17,158.42	18,527.82	20,056.24
	Inflation (%-Change)	7.62	14.453	1.339	13.405	5.272	4	4
	Unemployment rate	5.552	4.6	5.3	5.9	5.8	5.5	5.5
	Debt/GDP (Gross)	28.858	24.871	30.818	35.891	32.35	37.317	38.64
	C/A Balance (%-GDP)	24.786	30.563	8.209	19.857	20.724	19.996	18.178
Jamaica	*GDP (%-age Change)*	1.434	-0.792	-3.082	-1.438	1.528	0.998	1.049
	GDP (Per Capita-US$)	4,776.20	5,115.50	4,514.73	4,942.19	5,402.10	5,657.24	5,745.29
	Inflation (%-Change)	16.846	16.821	10.183	11.773	6.008	6.922	6.498
	Unemployment rate	9.85	10.575	11.4	12.375	12.8	13	13
	Debt/GDP (Gross)	114.619	126.377	139.478	141.35	138.981	145.89	148.202
	C/A Balance (%-GDP)	-16.897	-18.112	-10.891	-8.097	-9.909	-12.534	-12.432

Source: www.IMF.org, WEO Database-April-2012

Excellence

There is excellence in all people
Deep within us there lies brilliant promise
and shining possibility.
With planning, practice and perseverance
Excellence comes alive.
And its spirit dashes across the world
Lighting the way for others
Live illuminated.

Winning Solutions

Know-How

Growth

Management's Discussion and Analysis

As we embark on the year of our 20th anniversary, the JMMB Group is pleased to report net profits of J$2.24 billion for the 2011/12 financial year. This represents a 96% improvement over the previous year's result and is the highest level of profitability recorded in the Group's history. As indicated last year, key strategic objectives of the Group, both locally and regionally, would contribute to this result and would provide a platform for future ongoing sustained growth and results.

"This represents a 96% improvement over the previous year's result and is the highest level of profitability recorded in the Group's history."

KEITH DUNCAN
GROUP CHIEF EXECUTIVE OFFICER

JAMAICA

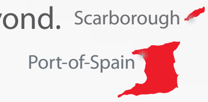
1. We continued the build-out of our client portfolio management services resulting in diversification of client portfolios managed by JMMB and an increase in core revenues from on and off balance sheet client investment activities. This represents a win for clients, who as a result were able to realize increased overall portfolio returns, despite a reduction in short-term interest rates. It was also a win for JMMB as we are able to move towards reducing balance sheet risk.

2. With attractive value propositions we increased our market share across newer business lines such as Insurance and Pensions and this resulted in increases in other fees and commissions.

3. We demonstrated expertise and growth in the Capital Market area by being the lead Broker in issuing uniquely structured international notes.

4. Whilst ensuring that expenses were managed within our earning potential, we took longer term steps towards improving operational efficiency, including centralization of key processes, the review of key enablers such as our online portal, a new PBX system and the expansion of the Electronic Transaction Machine (ETM) network. All these changes will result in increased efficiencies in the short term as we continue to cost-effectively build out our delivery channels whilst aligning our locations to client segments and needs.

Focused efforts towards the expansion of the Group through acquisition of the Capital and Credit Financial Group (which includes a banking entity, a Unit Trust, an International Brokerage and Remittance services) were pursued. This expansion will enable us to broaden the holistic financial solutions offered to clients and further diversify our earning streams. The impact of the acquisition will be felt in 2012/2013 and beyond.



REGIONALLY

1. There is growth in client base and funds under management in the Dominican Republic, through the flagship Sure Investor, repo product and the strategic expansion of the branch network.

2. The business line expansion of our presence in the Dominican Republic is far advanced with due diligence near completion for the acquisition of an additional small Savings & Loan Bank.

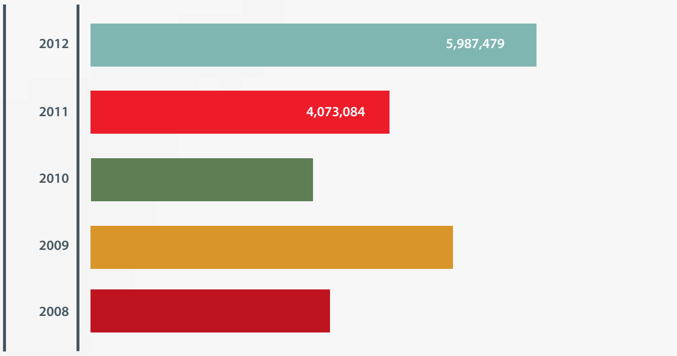
3. There has been growth in assets and profitability in Trinidad, whose domestic economic environment was characterized by declining GDP.

Carolyn DaCosta, Group Compliance Manager & Company Secretary, JMMB proudly accepts the trophy from Jamaica's former Prime Minister, Rt. Hon. Edward Seaga for the Jamaica Stock Exchange's Best Practices Awards Annual Report in December 2011. JMMB's 2011 Annual Report placed second overall in this category. The Best Practices awards were established in 2004 to recognize Listed Companies and Brokerages who have consistently upheld Best Practices standards within their organizations.

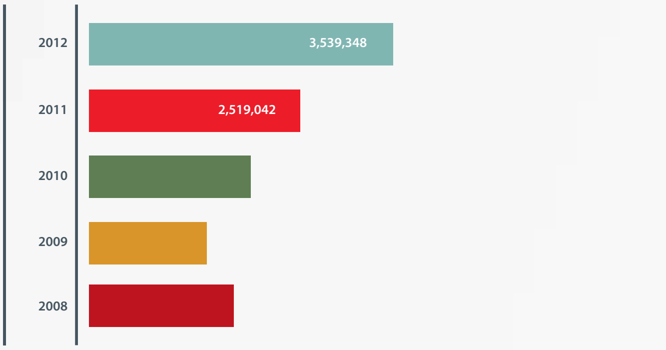
4. Our application for re-entry into the securities business in Trinidad & Tobago has been favourably viewed by the Regulators and we intend to see the establishment of that entity before the end of 2012/2013.


The JMMB Group officially opened its new-look branch in Montego Bay, St. James. The opening of the Montego Bay branch in March of 1994 signaled the start of the Group's branch network. At nearly twice the size of the previous location, JMMB Montego Bay's new home encompasses 4032 sq ft. It is designed with a warm feel and outfitted with a host of unique client features.

Operating Revenues | J$'000



Net Interest Income | J$'000



For 2012/2013, we will execute as seamless an integration process as possible as we ensure the strategic acquisitions and expansions in the various geographies work effectively for the Group. It will be important for us to define how the JMMB Group will maximize its investments in these new initiatives as we re-position our offerings into *an integrated financial services entity that delivers relevant and compelling value propositions to each of our target client segments.* Throughout this process the Group remains committed to our core values including love and care, with continued focus on client intimacy recognizing that these are very important differentiators in our operations and service delivery.

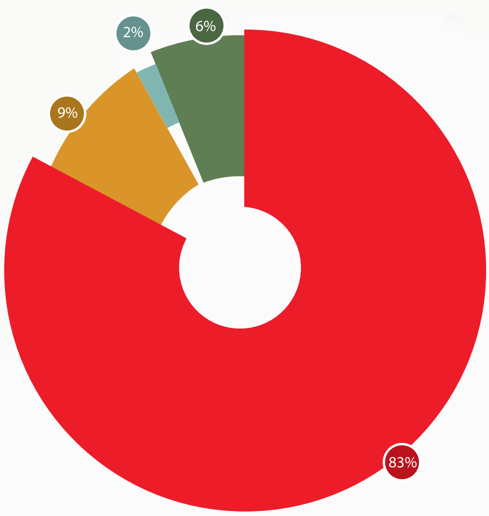
FINANCIAL PERFORMANCE

TOTAL OPERATING REVENUE increased by J$1.91 billion to J$5.99 billion, a 46.3% increase compared to the prior year. This achievement represents the highest level of operating revenue in the Group's history. This outstanding performance were mainly driven by continued growth in core revenues, namely, interest income and gains on securities trading, coupled with select capital market transactions which were a part of the Group's strategic focus.

NET INTEREST INCOME (NII) showed a significant increase year-on-year, moving from J$2.52 billion to J$3.54 billion, an increase of 40.5%.

Management continued with a focused strategy of effectively managing the Group's investment portfolio and cost of funds, given the environment of declining interest rates. As a consequence, we were able to achieve a J$351 million increase in interest income, moving from J$8.8 billion to J$9.2, billion coupled with positive results for our interest expenses, which saw a J10.6% decline from the previous financial year. In light of the forecasted interest rate environment, the Group will continue its prudent approach in managing its investment portfolio and cost of funds to maximize its net interest margins.

OTHER OPERATING INCOME other than NII contributed J$2.45 billion to total operating revenues, a 57.5% increase over the previous financial year. Gain on securities trading was the main contributor and accounted for 83.4% or J$2.04 billion of total other income. With the decline in interest rates, the JMMB Group sought to provide investors with higher returns from the bond market and being the largest broker dealer, we were strategically positioned to fulfill their needs. This resulted in an increase of over US$108.98 million in bond volumes traded by our retail and corporate clients. Additionally throughout the year, we took advantage of market opportunities which resulted in the Group realizing significant gains. There were also increased contributions from other fees and commission which added J$225.29 million to total revenues.

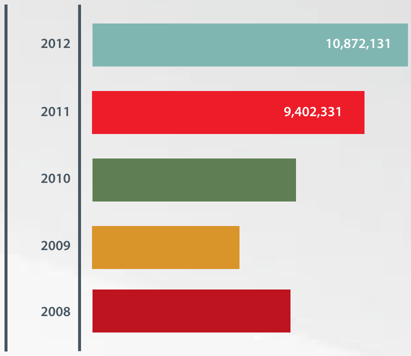


83% - Gains on Securities Trading
6% - Foreign Exchange Margin from Cambio to Trading
9% - Fees and Commission Income
2% - Fees Earned on Managing Funds

EFFICIENCY

Despite the impressive profit performance over the period, we remain cognizant of the need to manage operating expenses. For the financial year, Administrative Expense increased by 24.3% from J$2.59 billion to J$3.21 billion. This increase was mainly attributable to an incentive paid to staff for the strong Group performance, one-off costs relating to professional fees from capital market transactions and acquisitions, as well as growth in subsidiaries in the regional markets. Notwithstanding the increase in expenses, our efficiency ratio (administrative costs as a percentage of operating revenue) improved from 63.1% to 53.6% when compared to previous financial year 2010/11 and shows management's commitment to tightly controlling the Group's efficiency and growing revenue faster than expenses.

Stockholders' Equity | J$'000



REGULATORY REQUIREMENTS

The company continues to exceed its regulatory capital requirements. The company's capital to risk weighted assets ratio stood at 22.6% whereas the Financial Services Commission (FSC) benchmark stipulates a minimum of 14%. The company's capital to total assets ratio was 12.5% whereas the FSC's benchmark is 6%.

The JMMB Group Asset base increased by 10.4% to J$124.74 billion. This increase is driven mainly by a J$9.92 billion or 10.1% increase in our investment portfolio. Additionally, the Group's return on assets (ROA) increased from 0.97% to 1.89% reflecting an efficient use of resources.

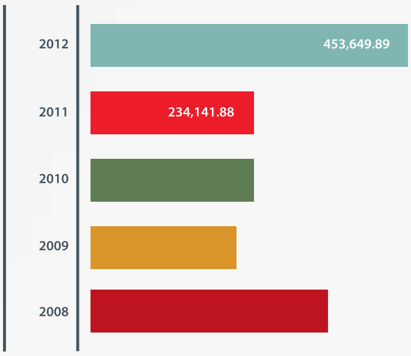
The Group's Book Value per stock unit showed a significant increase over the previous financial year and is at its highest since the company listed on the Jamaica Stock Exchange (JSE). Book value per share of common stock came in at J$7.42 up from J$6.43 in 2010/11. The stock's closing price on the JSE as at the end of financial year stood at is J$9.81, indicating significant value for shareholders.

Shareholders' Equity stood at J$10.87 billion as at the end of the financial year. This is the highest in the Group's history and shows a J$1.47 billion or 15.6% growth over previous year's results. This growth was driven mainly by the increase in retained earnings from reinvestment of profits while providing increased dividend distribution to shareholders. This solid capital base reflects the Group's strength which is critical to future and sustainable growth.

SHAREHOLDERS' 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 strategically expand our businesses locally and regionally. In keeping with this policy, total dividend payments (proposed and actual) for the financial year increased by 114.3% to J$439.02 million compared to J$204.87 million in the previous financial year. Our solid performance continues to drive positive shareholder returns and we remain committed to achieving long-term earnings growth and increased returns to our shareholders.

Dividends Paid and Proposed | J$'000



PERFORMANCE BY COUNTRY AND STRATEGIC DIRECTION FOR 2012/2013

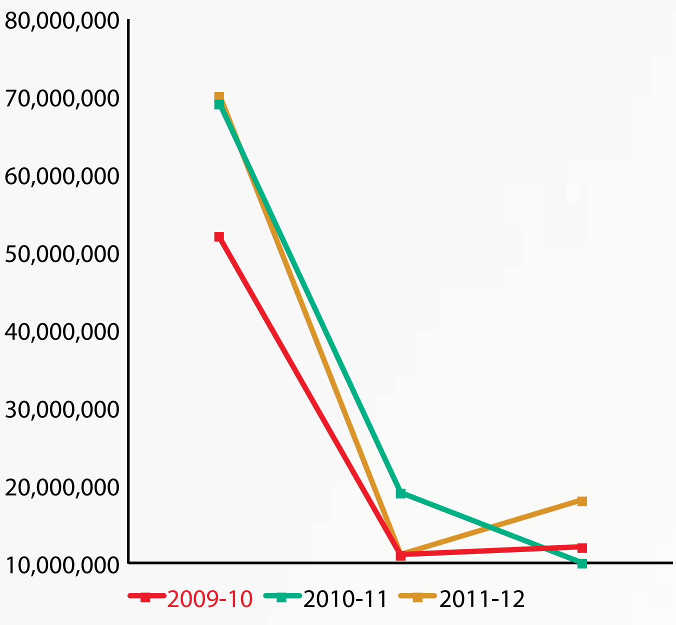
Jamaica Operations

FIXED INCOME BUSINESS LINE

For the FY 2011/12, the domestic financial markets continued to benefit from the Jamaica Debt Exchange (JDX) initiative. The benchmark 180-day Treasury Bill yields continued its downward trajectory for much of the financial year, but the pace of decline was significantly slower than for the previous financial year. This we attribute mostly, to the market's concern regarding the status of the Government's IMF program as well as the then impending election held in December 2011.

Despite the foregoing, JMMB continues to reflect growth in our Funds Under Management (FUM) with the growth in 2011/12 versus 2010/11 being approximately 10%. This growth was driven mainly by our institutional (43%) and corporate (13%) segments. The below par performance in our retail segment (1.7%) is a function of our clients continued desire to build portfolios outside of repurchase agreements. In this regard, our portfolio management services continue to create significant win-win opportunities for JMMB and our clients. The revenue impact from these portfolio initiatives continues to be positive and is reflected in our fee income and trading gains.

Year-Over-Year Growth in Client FUM by Segment



Imani Duncan-Price, Group Marketing Manager, JMMB (third left) makes a point at the 2011 JMMB-Private Sector Organization of Jamaica (PSOJ) Economic Forum. Looking on from left are: Mrs. Sandra Glasgow, Chief Executive Officer of the PSOJ; Mrs. Beverly Manley-Duncan, Transformational Consultant and Nicholas Scott, Vice President, PSOJ.

For the 2012/13 financial year we will:-

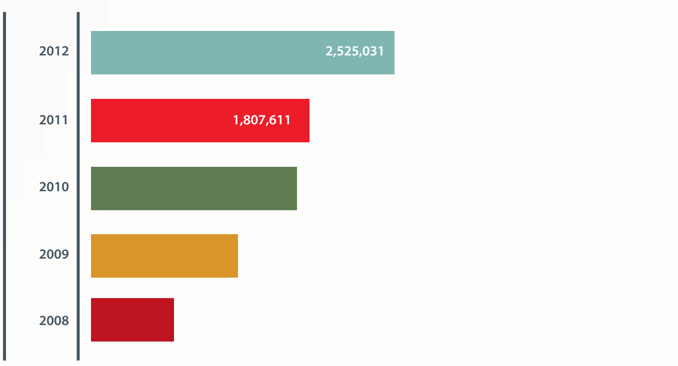
- Refine packaging and offering of portfolio management services to all client segments using collective investment schemes (including the Unit Trust from the CCFG acquisition)
- Continue to grow market share through on-going marketing campaigns and on the ground sales efforts, and
- Continue to grow fees and commissions from brokering services.

PENSIONS

We continue to emphasize JMMB Retirement Scheme (JMMB RS) as the product of choice for retirement planning. For Trustees of pension plans, we continue to demonstrate our value proposition as providers of Pension Administration and Investment Management services. The Pensions business line, given its primary focus on long term value creation, is positioned to be mutually beneficial to clients and shareholders.

However, the major hurdle for this business line and the industry remains the reticence of many individuals to become a part of a formal pension plan. Whilst official data indicates that pension membership is increasing, when evaluated as a percentage of the total employed workforce, growth based on our estimates remained flat over the last three years, that is, between 7-8%. There is therefore a great opportunity to tap into this underserved market.

Pensions FUM | J$'000



Clients continue to find value in our pension product offering, with JMMB RS membership and Superannuation clients increasing by 52% and 16% respectively. This has translated into growth in FUM of 65% for JMMB RS and 37% for the Superannuation Funds. Revenues have also increased over the period with direct fees from pension services increasing by 71%.

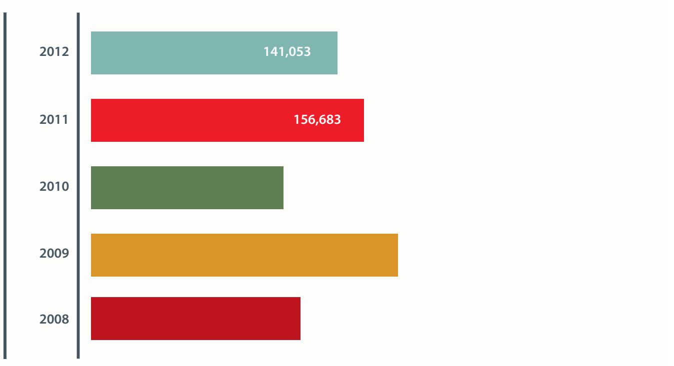
For the 2012/13 finincial year, we will:-

Continue our efforts to target companies and individuals who are without a pension plan. The JMMB RS product, given the choice in fund strategies, is well designed to support the creation of a retirement plan for the diverse needs of our clients. For superannuation funds, our aim is to continue targeting Trustees of current pension plan, highlighting the superiority of our pension administration services while demonstrating our proven track record in portfolio management.

CAMBIO

There was strong competition amongst the major players in the foreign exchange market for the 2011/12 financial year. This further intensified given the lack of demand in the local economy. This coupled with the relative stability of the currency (0.5% depreciation during the first half of the financial year and 1.85% for latter part) created increased challenges for market players seeking to maximize earnings, as spreads narrowed leading to decreased levels of revenue. Despite these challenging market conditions, JMMB was able to increase its market share. Our trading volume grew by 12.4%, whilst the overall market volumes grew by 10%, thereby increasing our market share from 5.4% to 6.2%. We continue to grow our market share as a result of the multi faceted approach adopted across our delivery channels. This has enabled us to maintain our dominance and secure our place as the second largest cambio in Jamaica.

Foreign Exchange Margins from Cambio | J$'000



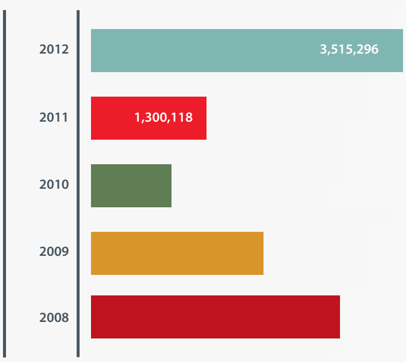
For the 2012/13 financial year, we will:

- Strengthen our position in the market by aggressively creating new relationships both locally and regionally to capitalize on currency trading opportunities.
- Offer even more competitive rates and provide more efficient transaction settlement to our clients, and
- Improve the visibility and awareness of the Cambio business line by continuing and strengthening as appropriate marketing campaigns in the media and across distribution channels; reinforcing JMMB's position as the premier provider of Cambio services.

EQUITIES

The regional markets showed mixed results for the year with the Barbados Stock Exchange (BSE) Index being the sole decliner. The Trinidad and Tobago Securities Exchange (TTSE) which was the fifth best performing market for 2011, realized a year-over-year increase of 15.99% as at 31 March 2012. This performance was mainly driven by the demand for high yielding dividend income stocks in a low interest rate environment. In Jamaica, the low interest rate environment coupled with a stable currency helped to fuel the performance of the JSE and Junior Market indices with the JSE Composite and Junior Markets advancing by over 17% and 79%, respectively. By financial year end, macroeconomic conditions changed, which resulted in a decline in the momentum experienced over the year.

Total Equity Volumes | J$'000



The past year was very successful for the equity business line which saw just over J$3.5 billion in trade value and J$39.8 million in commission income; representing a 169% and 100% year over year increase respectively. This result was driven in part by a significant institutional trade as well as results from client-focused initiatives that we embarked on to educate and pique the interest of clients to the benefits of diversifying their portfolios to include stocks. One such initiative is our Equity Game which models market activities and tests the savvy of clients in investing and understanding the correlation between events and market moves. As anticipated this exposure resulted in increased client confidence resulting in increased trading activity throughout the year.

We also note that our timely market research and advice provided information which investors found very useful in making decisions with respect to the Initial Public Offerings (IPO's) that came to market in 2011/2012.

For 2012/2013 though we anticipate soft market conditions, we believe that as clients continue to seek portfolio diversification and choose to commit to our model portfolios in investing towards their financial objectives, we will see a continued increase in equity trading. For clients looking for a broker of choice our online platform remains very competitively priced and user friendly.

CREDIT

During the 2011/12 financial year, whilst adopting a conservative approach to lending given the current economic climate we focused on building market awareness of our lending solutions. During the year we launched our debt consolidation and "switch for free" home equity loan solutions. We also debuted our "cash back" motor vehicle loan campaign, a strategic partnership with one of the islands largest used car dealers, which resulted in our customers benefiting from cash back of J$30,000 on each motor vehicle purchased. These strategies resulted in increased loan volumes year-over-year in the retail segment. In the commercial SME segment, loan demand remained flat and we concentrated our efforts on creating a value proposition tailored for this segment. This strategy resulted in significant new business subsequent to year end.

For 2012/2013 With the acquisition of the Capital and Credit Merchant Bank we intend to expand our suite of loan products and services. In the upcoming year we will therefore build a profitable, quality loan book by focusing our offerings in the retail and SME segment of the market ensuring that our value propositions are clearly defined.

Capital Markets

In 2011/ 12 we took a major step towards fulfilling two of the objectives stated in our Vision 2025. This was achieved as a result of our successful co-structuring and execution of two significant Global Bond Issuances distributed internationally – a first for an indigenous financial services company. In addition, during the year we were also appointed as Local Broker of Variable Price Re-Offer of US$174 million JPSCO Global Bonds. These now trade without restriction within the market as a Public Issuance.

INSURANCE BROKERING

CECILE COOPER
Managing Director JMMB Insurance Brokers Limited

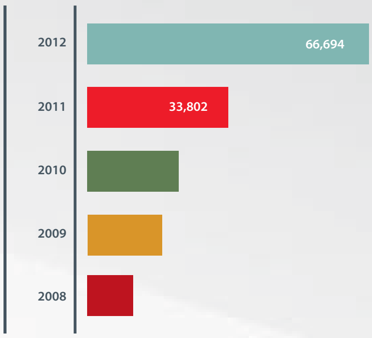
The year 2011/12 was marked by significant wins for most stakeholders of our Insurance Operations, and we ended the year with net profits of J$15.37 million.

Commission income generated over the year increased significantly moving from J$33.8 million in 2010/11 to J$66.69 million in 2011/12. This performance has strengthened the resolve of the collective team to redouble our efforts as we not only seek to meet and exceed clients expectations, in keeping with the promise of the wider JMMB Brand, but also to continue to add value to shareholders by sustaining the positive outcomes and growing our contribution to the overall Group results.

During the year, we grew our market share faster than market, whilst improving our efficiency ratios. This, against the backdrop of increasing local premium rates in the general market, hardening of the property insurance market, and the fallout of some underwriters from commercial business. Despite a contracting broker market, we have solidified our market position, achieving growth in revenues of some 84% with a corresponding increase in our client base of some 47% over baseline.

Further to the acquisition of the City Insurance Brokers Ltd. corporate portfolio, we are also pleased to report that we have successfully retained and integrated our recently acquired clients.

Commission Income JMMB Insurance | J$'000



Having established a distinct value proposition as a leading player in the Home and Motor insurance broking segment, through our flagship offerings, ***"Smart Choice Home Insurance"*** and ***"Motor Smart Pak Insurance"***, it is necessary to diversify our portfolio mix by positioning ourselves as a contender for Corporate and Government business. To date, we have achieved moderate success in this area by establishing some valuable relationships which we are confident will yield the desired results.

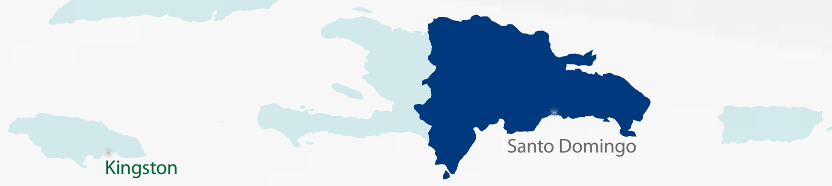
Our overarching objectives for the **upcoming year 2012/13** will be to sustain profitability whist moving to a new level of operational excellence by:-

1. Leveraging group synergies to achieve sustainable growth

a. Building critical mass by brokering bundled products to the large and growing client base of our Group.

b. Developing insurance solutions through established relationships across the insuring market and partnering with our extensive delivery channel network to deliver these solutions to our Group clients.

2. Strengthening our operational efficiencies through the use of technology and centralization of key processes as appropriate. This investment in the use of technology has enabled us to take advantage of the interface capabilities with our leading suppliers resulting in improved efficiency in our operations. We are now able to automate several key processes which will improve service standards for our clients and suppliers.



Dominican Republic Operations

The team in the Dominican Republic remained focused on market penetration strategies, targeting corporate and high net worth client segments. Over the year this strategy gained traction resulting in a 14.3% increase in the funds under management. Through the flagship Sure Investor offering, we were able to establish ourselves as market leaders in the securities business. With this result we are mindful of the need to continue to innovative and develop new solutions to remain appealing to our clients there, even as other players try to replicate our solutions.

As a result of increased activity, the DR Group continues to enhance its contribution to the overall Group results registering net earnings of over US$1.25 million. The total asset base of the Group increased by 14.7% or US$11.85 million to US$92.56 million; with the growth in its investment portfolio accounting for the significant increase. The Group recorded a return on average equity of 25.4% and return on average assets of 1.4%

Consistent with the JMMB Group approach to client intimacy we have maintained our edge in delivering enhanced customer service in this market. Despite the growing competitiveness of other financial institutions offering similar investment alternatives, we sought to deliver value to our clients by customizing solutions to meet their needs.

Finance-Fashion-Art: JMMB Puesto de Bolsa, S.A. celebrated the launch of its new branch under the concept of Finance-Fashion-Art. Guests enjoyed the attractive symbiosis between fashion, art and finance and endorsed many of the talented local artists and designers. In photo from left to right are: Rafael de Lemos, Susy Guzman, Guillermo Arancibia, Amanda Ferreira and Carlos Frank.

Guillermo Arancibia
Country Manager

José Ramón Martínez
Corporate Sales Manager

Carmen Rodríguez
Sales Manager

As the JMMB Jamaica operations develops the platform for portfolio management services we will adopt in the DR market; customizing for any uniqueness in our client base.

During the year, we expanded our presence in the DR with the opening of a new branch in Santo Domingo under the concept Fashion, Art and Finance. The new branch will alternately function as an art gallery, where clients and the general public will be able to appreciate the creative genius of local artists whilst offering our clients a unique financial experience. We also expanded out branch network with a new branch in Santiago, an area where we see optimal opportunities for new client acquisition. The team in DR remains committed to efforts to better understand their market and client segments in order to deliver relevant value propositions thereby increasing market share.

Juan Jose Melo
Investment Banking Head

Veronika Ariza Baber
Marketing Manager and Relationship Officer

Curtis McDowell
Technology and Operations Head

Laura Aybar
Office Manager & Relationship Officer

Patria Rivera
Financial Controller

Roberto Cabanas
Treasury and Client Relations Head

Roxanna Vazquez
Santiago Branch Manager

Lilianne Morina
Human Resources Manager

Trinidad and Tobago Operations

INTERCOMMERCIAL BANK GROUP (IBL)

During the year 2011/12, the IBL Group exhibited clear organizational growth. The Group was able to achieve considerable asset growth and profitability in a domestic economic environment characterized by declining GDP (economic activity in Trinidad and Tobago declined by 1.5% for calendar year 2011). The impact of this domestic downturn was reflected in downward adjustment in the basic prime lending rate, somewhat depressed bank credit, reduced domestic demand (largely attributable to escalating crime and the resultant state of emergency) and increased unemployment.

In spite of this sluggish local economy over the period, total assets of the IBL Group closed at TT$1.2 billion, an increase of 24.8% from prior year. Net Interest Income showed moderate growth for the financial year of $TT6.2 million or 17% compared to the 4% growth achieved in the last financial year. This reflects the Group's effort to continue managing its balance sheet and asset mix to maximize margins. Operating profits stood at TT$6.09 million compared to TT$4.12 million in 2011/12, a 47.9% increase over the comparative period. Contributing to this improvement was a 13.7% increase in the loan portfolio of the Bank towards year end. The increase from TT$428 million to TT$487 million is primarily due to the Bank's focus on growing its core business with high quality assets. The initiatives over the year included the expansion of the retail banking business and the re-positioning of the IBL Brand; strengthening its corporate identity and increasing relevance of value proposition to clients on a national scale. The IBL team has renewed its commitment to serving the relationship banking needs of all clients and focussing on the technological transformation of their banking offering.

Krishna Boodhai
Managing Director & Chief Executive Officer

Elangadu S. Mohan
Executive Director Group Risk

Gary Awai
Deputy Chief Executive Officer

James Mendes
Head of Risk

Devati Mooleehar
General Manager Corporate Banking

During the year IBL Group's growth was positively impacted by a number of qualitative management initiatives that were undertaken during the 2011/2012 period. The strengthening of the risk structure, the building of deeper client and stakeholder relationships, and the focus of IBL in the media were all contributors to the Group's favorable performance. In the last quarter of 2011/2012, IBL introduced a new leadership team. They are: Group CEO & Managing Director – Mr Krishna Boodhai and Mr. Gary Awai as Deputy CEO. Mr. Hugh Duncan – former Group CEO & Managing Director, continues his contribution to the IBL Group as a member of the Board of Directors and at JMMB at JMMB playing a lead role in the development of the Integrated Financial Services Entity strategic development team.

For 2012/13 financial year, the IBL Group will pursue the following initiative to increase shareholder value:-

- Identify and target specific niche areas to increase our wallet share;
- Expand our product range and suite, while cross-selling existing Group products across our client base
- Expand service delivery to offer greater access to our clients, across all delivery channels, while exploring opportunities to reduce our cost of delivery
- Enhance the IBL Client experience through targeted client initiatives which we believe will improve client satisfaction and brand loyalty, and
- Increase marketing efforts to strengthen and build brand awareness.

Ingrid Sampson Group Head Operations

Terrance Rampersad Group Manager Internal Audit

Anil Ramdhanie Senior Manager Group Technology

Lisa Maria Alexander Head Marketing

Avyann Ferguson Legal Counsel and Corporate Secretary

INCREASING SHAREHOLDER VALUE: 2011-14

The leadership of the JMMB Group remains committed to harnessing opportunities that provide increased earnings potential for the Group. Over the years, we have made several strategic investments in building out various business lines locally and regionally to augment revenues from our core brokerage activities and provide the opportunity to deliver sustainable and strong financial performance.

The acquisition of Capital & Credit Financial Group Limited (CCFG) in Jamaica is a strategic fit given that CCFG includes a merchant bank – Capital & Credit Merchant Bank Limited (CCMB), unit trust operations – Capital & Credit Fund Managers Limited (CCFM), a Remittance company – Capital & Credit Remittance Limited (CCRL) which is currently branded as Reggae Money Express and interest in an International Brokerage – Capital & Credit International Inc.) This acquisition would therefore provide JMMB with additional vehicles for diversification of its income streams and facilitate migration of specific client segments off-balance sheet. JMMB will leverage its strengths and utilize the opportunities of this transaction to provide the following:

- A wider set of financial products and services with a view to providing more comprehensive solutions to JMMB's extensive client base in Jamaica of over 190,000
- Increased market share as a result of effective cross-selling to its client base, and growth through new clients with a compelling value proposition based on price and reinforced by service
- Delivery of products and services through physical (branches and call centres) and electronic (including telephone banking, internet and mobile) banking channels. These delivery channels will be supported by centralized operations which would enable a lower cost delivery model
- Genuine and caring client service – proactive and responsive that allows for the continued development of a loyal client base.

Given the significant investment of capital across the Group in the upcoming 2012/ 13 financial year, the development of a clear value proposition and growth startegy for the expanded financial services JMMB Group is critical. The leadership team in each territory will support the development of this strategic vision and growth strategy, as well as an implementation plan that will impact results for 2013/14 and onwards. As a Group this will;

o Result in an expansion and/or entry strategy that is differentiated relative to local and foreign competitors.

o Allow us to leverage our existing core product and service offering as well as back and middle office capabilities, defining a well articulated value proposition for existing and new clients, and

o Support us in creating new capabilities to compete successfully.

Whilst this road map is being developed, for 2012 to 2013, the team at JMMB will focus on:

- Integration of new entities into the JMMB Group across all territories
- Continued cross-selling efforts across the expanded entity; guided by the development of a Group product portfolio by Country and a 'one client view'
- Realization of synergies from integration and centralization of certain functions, and
- Further diversification of our business model by building out our capital markets offerings.

Our focus for the financial year is therefore to integrate the operations of all entities by extracting synergies in products, technology platforms and operations, thereby increasing overall growth prospects and shareholder value.

CONCLUSION

The year ahead promises to be an exciting one for the Group, as we expand our universe of offerings to meet the changing financial needs of our clients!

We remain committed to our culture of delivering exceptional client care, in an environment fostered by love; which remains at the heart of our core values. We continue to believe that an even greater focus on client intimacy will allow us to maintain brand loyalty and achieve the competitive edge necessary for long-term sustained success and value for all stakeholders: clients, shareholders, team, members.

The Financial Lifecycle

JMMB Solutions for Each Stage of Your Journey

EARLY EARNING

- Learn to budget and manage your cash flow
- Plan for your retirement now
- Earn 3X more with our **SaveSmart**
- Buy your First Car
  Car Loan
  Insurance
  Cash Back

JMMB RS

Save Smart ACCOUNT

JMMB LOANS, JMMB CAMBIO

SURE INVESTOR

- Start planning child's education with **Tax Shelter**
- Plan a dream vacation with **Sure Investor** and our **Cambio**
- Upgrade your home or boost your business with our **Home Equity Loan**
- Build portfolios with **Bonds and Equities**

ESTABLISHED EARNING

CONSOLIDATION

- Invest funds and lump sums in **JMMB RS** or **Tax Shelter** and top up for retirement
- Expand your business with our **Business Loans**
- Get the best value in health coverage with **JMMB Insurance Brokers**

JMMB BONDS & EQUITIES

TAX SHELTER Account

JMMB INSURANCE BROKERS

JMMB INCOME BUILDER ACCOUNT

Savings Booster

- Enjoy peace of mind and pursue your passions with the returns from your investments
- Lock in great rates and use the cash flow from our **Income Builder** to meet your regular expenses
- Open a **Savings Booster** account for your grandchild's education

RETIREMENT

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.

JMMB

Your Best Interest at Heart. Full Stop.

Teamwork

A team with which to share an endeavour
To achieve our hope and dreams
Cooperation, communication, co-ordination
Is what teamwork really means
That's why win-win is our motivator.
Let's find your finish line together.

Diversification Deepens

Executive Team Leaders

PATRICK ELLIS
GROUP CHIEF FINANCIAL OFFICER

JANET PATRICK
FINANCIAL CONTROLLER, GROUP STRATEGIC PLANNING

JULIAN MAIR
CHIEF INVESTMENT STRATEGIST

CAROLYN DaCOSTA
GROUP COMPLIANCE MANAGER & COMPANY SECRETARY

PAUL GRAY
CHIEF INVESTMENT OFFICER

KISHA ANDERSON
MANAGER, CLIENT SALES AND SERVICE DELIVERY

JMMB GROUP

IMANI DUNCAN-PRICE
MANAGER, GROUP MARKETING

SHELDON POWE
GROUP CHIEF INFORMATION OFFICER

KEITH DUNCAN
GROUP CHIEF EXECUTIVE OFFICER

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

KARL TOWNSEND
GENERAL MANAGER, CREDIT

MARGARET McPHERSON
GROUP OPERATIONS MANAGER
joined JMMB team May 2012.

Profiles of Executive Team Leaders

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 fulfil 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 project. Keith is also chairman of YUTE's Programmes Development and Implementation Committee. 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 & LEADERSHIP DEVELOPMENT

As a visionary and possibility thinker, Donna upholds the powerful principle; 'We were born to manifest the glory of God. It is not just in some of us, it is in every one of us." This is a fundamental truth she shares with everyone with whom she comes in contact.

For the past seven years, Donna has successfully maintained the position of Group Executive Director of Culture and Human Development. Her team has the overall responsibility for nurturing the interests and growth of the JMMB Team – understanding their strengths, goals and dreams and providing the necessary support to ensure team members manifest their power to the benefit of all. Through her enthusiasm and genuine desire to empower and inspire JMMB team members, she has led the creation of valuable programmes, practices and policies which have proved instrumental in upholding JMMB's core ideals of Love, Equity and having the Best Interest of all at heart.

Following the attainment of her Bachelor of Science Degree in Engineering, Donna was employed as an Industrial Engineer before moving into Production Control at Goodyear. She then went on to pursue her MBA at the Richard Ivey School of Business at the University of Western Ontario in Canada. In 1999, she gained her Certified Financial Analyst (CFA) accreditation, a year before becoming the CEO of JMMB.

IMANI DUNCAN-PRICE
MANAGER, GROUP MARKETING

Imani Duncan-Price joined the JMMB team in 2007 as Group Strategy Manager and assumed the role of Group Marketing Manager in April 2009. In this capacity she is responsible for the design and execution of the marketing strategy for JMMB Jamaica and the Dominican Republic. She guides the development of customised product offerings, as well the consistent and dynamic messaging and sponsorships that reinforce the Company's value proposition: "We have our clients and our communities' best interest at heart".

As a former Director of the Development Bank of Jamaica (DBJ), Jamaica's leading financial government institution for economic development, and its Investment and Credit Board Committee, Imani garnered further knowledge of financing options, deal structuring, and regulatory bodies to facilitate business development and expansion. Imani is also a founding member of the Caribbean Policy Research Institute (CaPRI), the Caribbean's first independent think tank. She is currently a Board Director of the Kingston-YMCA Jamaica as well as a Core Executive Member of Y.U.T.E. (Youth Upliftment Through Employment).

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

In January 2012, Imani was presented with an opportunity to serve Jamaica as a Government Senator. As this is in line with her long-term goal to enable the development and growth of Jamaica via a healthy and vibrant political system, she is currently pursuing this opportunity and has resigned from this position at JMMB. As JMMB continues its expansion in the region, Imani's international experience in strategy development and extensive knowledge of the brand will be engaged in a consulting capacity, on specific projects.

CAROLYN DaCOSTA J.P.
GROUP COMPLIANCE MANAGER & COMPANY SECRETARY

Carolyn DaCosta 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 and regulatory 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 the Manchester Business School. She is also a Fellow Member of the International Compliance Association and a Justice of the Peace for the parish of St. Catherine.

KISHA ANDERSON J.P.
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 overall responsibility for the company's retail, corporate and electronic delivery channels. In addition, Kisha oversees administration for the Office of the Group CEO and co-ordinates the Group's strategic planning process.

In her substantive role as head of JMMB's Frontline Services, Kisha is directly responsible for developing and guiding the implementation of sales strategies, supported by marketing, to ensure that revenue, market share and profit targets are met. In keeping with the Company's commitment to building genuine relationships and creating value for clients, Kisha oversees the delivery of JMMB's trademark exceptional client care and supports the ongoing development and management of client value propositions.

With a Bachelor of Science from UWI and several professional certifications in talent and process management, Kisha is now pursuing the CFA designation.
She serves as a director on the Board of JMMB Insurance Limited and is a Justice of the Peace for Kingston.

PATRICK ELLIS
GROUP CHIEF FINANCIAL OFFICER

Patrick Ellis began his tenure as Group Chief Financial Officer in 2008. In this role he has responsibility for the oversight and execution of the Company's strategic and financial operations. This includes the preparation of financial statements, regulatory reporting, assessing the viability of possible acquisitions, as well as risk management for JMMB's operations in Jamaica and the Dominican Republic.

Prior to joining JMMB, Patrick served as 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. His 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.

Patrick 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 holds an MBA (Finance) from the Manchester Business School.

PAUL GRAY
CHIEF INVESTMENT OFFICER

Paul Gray was appointed Chief Investment Officer in 2008 with responsibility for Asset Management, Trading, Equities, Research and Pensions. As Chief Investment Officer, he provides direction and management of liquidity, investment portfolios, foreign exchange trading, equities trading, pension fund management and research delivery. With over a decade of experience in the financial industry, Paul brings a wealth of knowledge to the role having built a solid track record in Asset Management and Trading during his tenure as Trading Manager in 2005.

He was appointed to the Board of Directors of JMMB Insurance Brokers Limited in October 2006 and currently chairs the company's Management Investment and Revenue Committees. He holds a Masters degree in Finance from the Manchester Business School and has received professional training in derivatives, asset, liability and risk management.

JULIAN MAIR
CHIEF INVESTMENT STRATEGIST

With over 19 years of experience in the financial services sector, Julian Mair currently operates as JMMB's Chief Investment Strategist. In addition to his position at JMMB, Julian has played a significant role in the development of Jamaica's capital market.

His experience includes holding positions at foremost Jamaican financial institutions, including Head of Treasury and Investment services at Dehring, Bunting and Golding (now Scotia DBG Investments) and Senior Trader and Cambio Manager at JMMB. In addition, he has partnered and consulted with various international financial institutions and the Government of Jamaica, in structuring Global Bond Issues. A former Managing Director of Letts Investment Ltd., his leadership resulted in the boutique operation becoming a global player in the trading of internationally-issued securities.

A founding member and executive member of the Jamaica Securities Dealers Association (JSDA), Julian also serves various institutions as a director, including JMMB Securities Limited, JMMB International, JMMB Puesto DeBolsa and the Jamaica Stock Exchange.

MARGARET McPHERSON
GROUP OPERATIONS MANAGER

Margaret became a member of the JMMB team in May 2012, bringing with her over two decades of growth and development within the financial sector, as a result of the experience and exposure she obtained from a multi-faceted banking career. In her current capacity as Group Operations Manager, she is responsible for ensuring the efficient execution of the middle and back office operations, which include Information Technology, Securities & Settlement, Facilities, Business Process Management and Operations departments. She will participate in the Group's strategic formulation, execution and management.

Margaret amassed her experience serving in various capacities in premier organizations within the sector, including CIBC Jamaica Limited, where she operated in several managerial positions, achieving critical milestones such as the successful implementation of the bank's first major financial automated systems. Following this, she had a stint with National Commercial Bank (NCB), serving as Business Project Manager to Manager, Process Reengineering. Her tenure at NCB saw her participating in major transformation projects and processes, including the implementation of the Back Office, as well as the automated statement processing and the implementation of signature verification for frontline and backend processing. Margaret also led the successful creation of PanCaribbean Bank, and had responsibility for its daily operations in her capacity as Vice President, Operations.

An Associate of the Institute of Canadian Bankers, Margaret holds an MBA in Finance from Manchester Business School. She also has certification in Project Management and has participated in several banking courses locally and internationally.

JANET PATRICK
FINANCIAL CONTROLLER, GROUP STRATEGIC PLANNING

Janet Patrick was Chief Accountant from 1998, and in 2007, she was appointed Financial Controller, having had extensive experience in accounting and auditing.

Prior to joining JMMB, she was a member of the senior audit staff of KPMG Chartered Accountants, working on major audit assignments and several special projects, including being seconded to a leading securities firm in Jamaica where she established the accounting functions.

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

SHELDON POWE
GROUP CHIEF INFORMATION OFFICER

A member of the team since 1997, Sheldon Powe is the head of the technology unit for the JMMB Group of Companies. As Group Chief Information Officer, he ensures that the company has robust and reliable systems to satisfy the ever-growing demand for information processing. In addition, he manages JMMB's technology platform both locally and regionally, ensuring network security and reliability. He oversees the Data Centers, frontline applications including online services, Electronic Transaction Machines (ETMs), Client Care Centre and other in-branch transaction processing systems, Information Security and IT Disaster Recovery.

Sheldon holds a Bachelor of Science degree from the University of the West Indies, and a Masters degree in Industrial and Systems Engineering from the University of Florida. He also has various certifications in his area of expertise including, Project Management Professional (PMP), Certified Information Systems Auditor (CISA), Certified Information Security Manager (CISM) and is also ITIL V3 certified.

KARL TOWNSEND
GENERAL MANAGER, CREDIT

Karl joined the JMMB team as General Manager for the Credit department in August 2011. In this capacity, he has overall responsibility for portfolio management of the credit business line. He brings to the post over seventeen years of commercial banking experience, garnered from foremost financial institutions in Jamaica and overseas. His wealth of experience includes Business Development and Portfolio Growth and Delinquency Management, Credit Risk Management and Loan Loss Control Strategies.

This experience has led to his expertise in various areas including the effective management of client relationships in SME and corporate sectors, as well as outstanding negotiation, business development and client management skills.

Karl has an MBA in Finance (Merit) from the Manchester Business School and a Bachelor of Science degree in Economics and Management from the University of the West Indies. He has attended several professional training programmes including the Commercial Bankers Development Programme, Commercial Sales Skills, Fundamentals of Coaching Excellence and the Intensive Credit Risk Training Programme and SME Ratings Workshop hosted by CariCris.

Senior Team Leaders
- Heads of Departments

NERENE BROWN
OPERATIONS MANAGER, RETAIL SERVICE DELIVERY

PETER THOMPSON
SENIOR INVESTMENT MANAGER, PENSIONS AND CLIENT PORTFOLIO

DENSIE ROBINSON
GROUP MIDDLE OFFICE MANAGER

GIFFORD RANKINE
MIS AND APPLICATION AND SUPPORT MANAGER

DALE JAMES
MARKET RISK MANAGER

DAMION HYLTON
CORPORATE SOLUTIONS MANAGER

DAWNEL THOMPSON
PROCESS DEVELOPMENT MANAGER

IKE JOHNSON
SENIOR STRATEGIC MANAGEMENT OFFICER

KEISHA FORBES
TRADING MANAGER

KASHWAYNE BRYSON
CHIEF ACCOUNTANT – GROUP REPORTING AND FINANCIAL PRODUCTS

Senior Team Leaders
- Branch Managers

JOAN EDWARDS
MANAGER,
PERSONAL
PORTFOLIO
MANAGEMENT
CENTRE

ROCKANN LEE CLARKE-CRAWLE
MANAGER,
HAUGHTON
BRANCH

LORNA HALL
MANAGER,
MONTEGO
BAY BRANCH

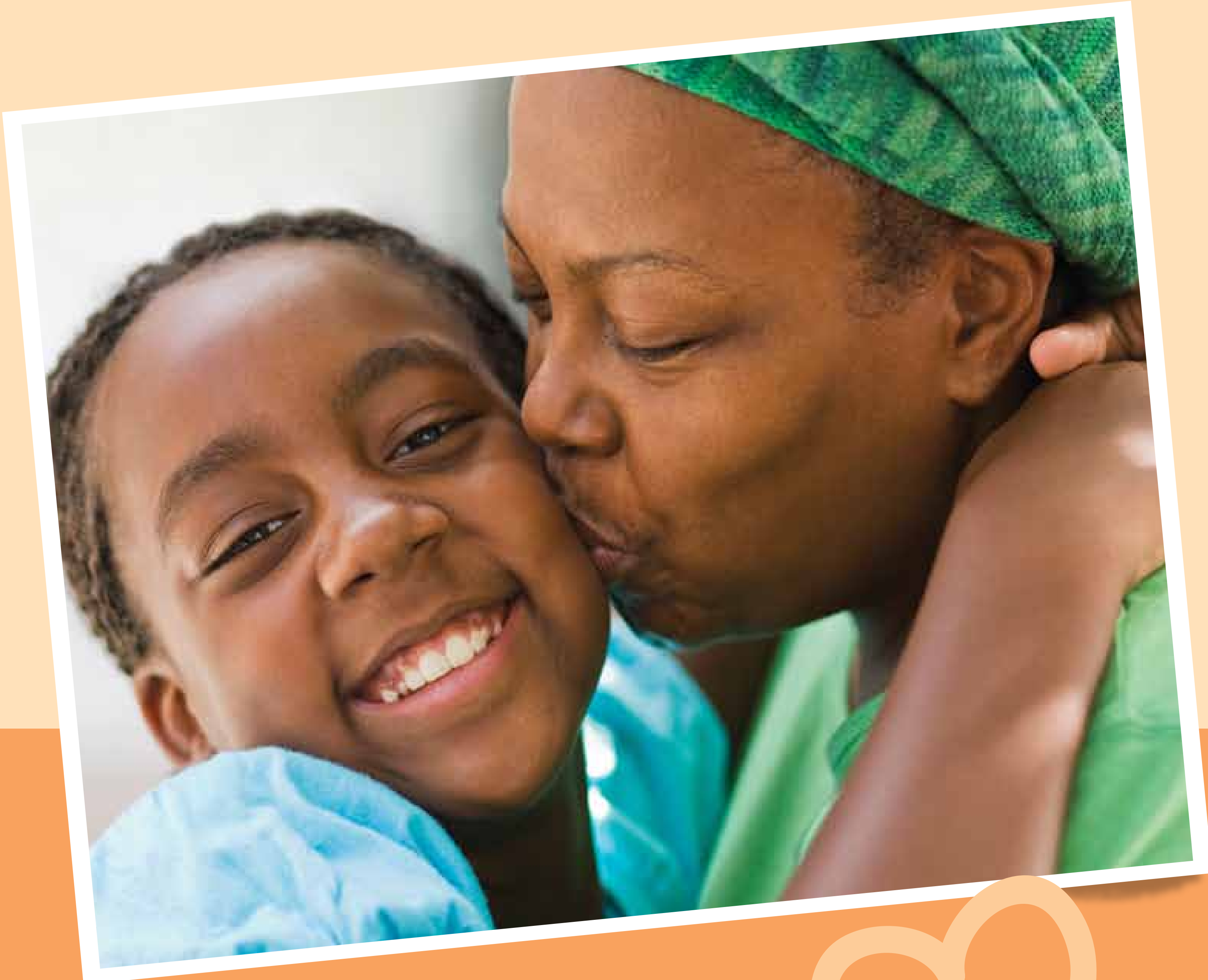
JMMB GROUP

FORNIA YOUNG
MANAGER, KNUTSFORD BOULEVARD BRANCH

HORACE WILDES
MANAGER, OCHO RIOS BRANCH

SIMONE THOMAS
MANAGER, MANDEVILLE AND SANTA CRUZ

TEVERLY GRAY
MANAGER, PORTMORE BRANCH AND CLIENT CARE CENTRE



Love

Love is generous, love is empowering
Love is extraordinary, love is enduring
Love in having Your Best Interest at Heart
Love is who we are
What a joy it is to celebrate the love that connects us and makes all of us great.

JMMB GROUP

It's All About You: Client Intimacy

Personal Portfolio Management Mixer at Mona Visitor's Lodge in February. From left to right are: Allison Peart; Audrey Hinchcliffe, Keith Duncan, Joan Edwards, Manager, Personal Portfolio Management Centre and Mrs. Scarlette Gillings.

"It's all about you!"

Key Values: Equality and Creativity

During the financial year 2011-12 JMMB's Culture And Human Development Team further developed on Client Intimacy strategies aimed at deepening client relationships. Our team is aware that central to human nature is the desire for equality and respect in how we are treated. We all desire to enjoy a sense of belonging and meaningful relationships.

JMMB's Client Intimacy Project, which started in F/Y 2010, is geared towards achieving these outcomes for all our clients. In providing service we cater to our clients' functional and emotional needs and dreams. We want to provide each client with a plan to realize their goals and dreams and support them wherever they are in their financial lifecycle.

CLIENT INTIMACY DAY WORKSHOP

Accordingly, JMMB's Client Intimacy Day Workshop, November 2011, continued to be centred around further building the client intimacy competence of the organization, so that our clients can consistently experience JMMB's superior client care. Our 316 team members, agreed on six "Desired Client Outcomes" for our clients to enjoy and identified one that they would concentrate on achieving for the next financial year. The "Desired Client Outcome" chosen was: "Our clients would be delighted fans who trust and have confidence in JMMB."

Team Members participate in JMMB's Client Intimacy Day Workshop held in November 2011. The workshop was aimed at ensuring that, through team members, JMMB's clients experience our motto: " Your best interest at heart. Full Stop." From left are: Janet Patrick, Financial Controller; Shauna Wood, Personal Portfolio Advisor and Donnette Johnson, Senior Equities Trader.

We at JMMB are committed to being "Unstoppable" in ensuring that all our clients, internal and external, are delighted fans, as we become "The Undisputed Leader in Client Care through Love, Integrity, Fun and Togetherness. Full Stop." Once again, the workshop was considered a resounding success with 96% of team members agreeing that "the content was clear and relevant, and will impact the results they produce." Our team further agreed that once they have mastered the desired behaviours for the year, in each successive year, they will master others as required for the next "Desired Client Outcome."

CLIENT INTIMACY DAY: Team members (l-r): Nicole Watson; Kimarley Thomas (standing); Kiffra Solomon; Vanessa Lewis and Sheryl Brown, giving feedback on strategy development.

To support this, our team began the process of developing Service Standards and Service Level Agreements between departments. This was to enable them to better hold each other accountable for breakdowns in systems, processes and service delivery and celebrate each other when they met or exceeded each others' expectations.

In crafting our Service Standards, services, processes and business lines were matched to JMMB's Customer Value Propositions. This was to ensure that we are equipped to meet the promises made to our clients. The rationale being that whatever JMMB desires for our clients must first be created within the team and this would exponentially impact the experiences our clients receive. These Service Standards and Service Level Agreements will become the anchor for our already established Client Care Standards, providing a sound tool to help us continually improve our standard of service.

To ensure that team members are equipped to address breakdowns between expectations and performance, the Culture & Human Development Team also introduced a developmental workshop to build competency levels in handling and resolving internal issues in a positive and loving way. In doing so, this creates an environment where team members become adept at holding each other accountable to higher and higher standards, so that we continue to be leaders in client care.

CLIENT SATISFACTION AND ENGAGEMENT SURVEY RESULTS

Overall survey scores increased from an average of 83.3% to 85% year over year and there were also increases in the number of new clients as well as those who indicated a desire to expand their portfolios, including other options in products and services offered by JMMB.

Period	Customer Satisfaction	Customer Engagement	Client Confidence	Client Pride	Client Passion	Overall
Q4 2011	87.7%	87.5%	43.7%	28.2%	15.7%	87.6%

For the quarter ending 2011, JMMB achieved 87.7% Client Satisfaction and 87.5% Client Engagement. Of particular note, client scores indicative of engagement were as follows:

97%	stated that they actively encouraged others to become clients of JMMB
95%	are delighted with their experience with JMMB.
90%	believe that Client Care at JMMB is better than that of any other financial institution.
88%	stated that they feel they are a part of the JMMB Family.

ACTIVITIES

Client Mixers, designed to enhance client relationships, were held in settings with cultural and exotic themes, in Kingston, Montego Bay and Ocho Rios.

"WOW" Treatments in Branches were in keeping with our desire to delight our clients with not only exceptional service but also creatively adding value to their lives.

CLIENT TESTIMONIALS

A. King, Haughton Branch client, said she was totally wowed by the way in which JMMB handled her concerns. Ms. King said she was blown away from the point of contact with Kaydia Tomlinson of our Client Care Centre, to the visit to her aunt's home), and finally her visit to the branch.

She said at one point she had to think long and hard if she was talking with a financial institution as it felt more like family. In her own words: "JMMB was definitely in my world".

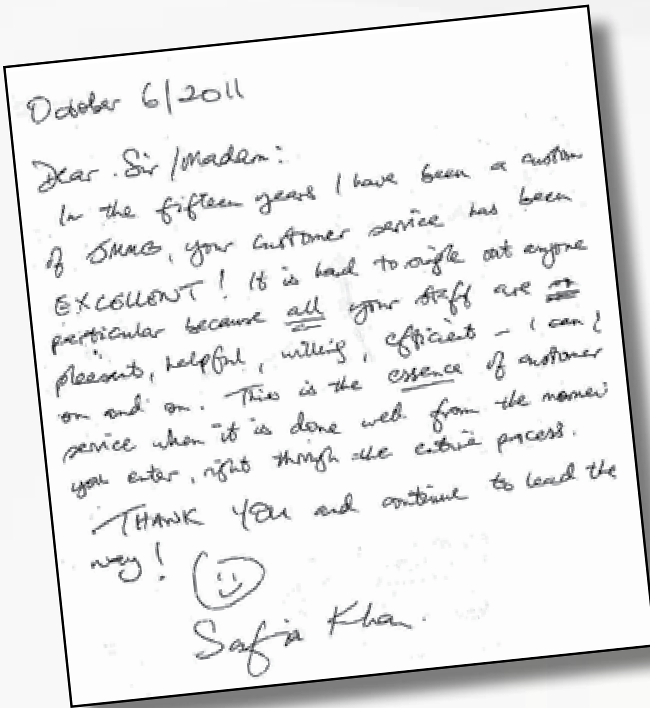
She also expressed that the urgency with which everything was processed made her feel much fulfilled and very happy and that Shauna Wood's service was exceptional, very personalized and made her feel as if she had known her for a long time.

Anatol Clark Allwood, Knutsford Branch client, continues to be "so completely WOWED by the service she gets from Dave" that she felt compelled to get him a trophy which she insisted on presenting to him herself. It read:-"Dave Ffrench, For Excellent And Committed Service!"

Johnny McFarlane, Ocho Rios Branch client, said he values the level of client care that Rosalie Cooper provides. He couldn't stop talking about the excellent service that he receives from her. He said that as a former banker, he could not ask for better service. "She fulfills every transaction request with efficiency and accuracy. She anticipates my needs beyond expectations. She is a pleasure to interact with."

CORPORATE SOLUTIONS MIXER held at the Sunken Gardens, Hope Gardens in December. Keith Duncan (left) makes to point to a client while Winston Skeen, Sales Manager JMMB, IB (centre) looks on.

Safia Khan, Mo-Bay client wrote:



October 6/2011

Dear Sir/Madam:

In the fifteen years I have been a customer of JMMB, your customer service has been EXCELLENT! It is hard to single out anyone particular because all your staff are pleasant, helpful, willing, efficient - I can go on and on. This is the essence of customer service when it is done well from the moment you enter, right through the entire process.

THANK YOU and continue to lead the way! :)

Safia Khan.

Operationally, in response to client feedback, we improved on our telephone system for greater efficiency while exploring new PBX options as a permanent solution. The pilot of the selected PBX solution was rolled out for testing in the third quarter of 2011.

Moneyline, JMMB's online transaction service, was also enhanced for greater ease and efficiency in negotiating online transaction requests, pending the completion of their new and expanded Moneyline product.

PPM Client Mixer, Karlene Jarrett, Personal Portfolio Manager entertains.

OFFERING DEVELOPMENT

Developing the right products/offerings and customizing the offerings to fit an increasingly fine definition of the client will be our focus in 2012-13. The expansion of offerings will include banking, unit trust and wider portfolio management services.

Plans for the new financial year 2012 include the launch of the new PBX system with increased reliability, call capacity and call monitoring capabilities, along with other features such as increased memory storage for call histories and better reporting facilities. This system will be compatible with the CRM, which is also to come on stream later in FY 2012-13.

Additionally, JMMB's newest **Moneyline, Version 5,** will boast several advanced features including our new **Mobile Moneylin**e, which will provide our clients with superior service at their fingertips. There will be a **Personal Moneyline Desktop, Corporate Moneyline** and **Personal Moneyline Mobile.**

In its continued efforts to drive service delivery to higher levels of excellence, our Culture & Human Development Team will be guiding the implementation of Service Level Agreements between departments. The team's documented Service Standards are to be refined and approved and a Complaint and Redress Mechanism is to be developed to support the process of continuous improvement in all areas.

Strategies to further enrich JMMB's clients' experiences at every touch point will also become a major focus. The feeling of family, warmth, fun and delight will be the new hallmark of the JMMB Client Experience, as the entire JMMB team goes live in "Taking Service to a Higher Level. Full - Stop."

Mandeville Client Mixer.

Donna Duncan-Scott connects with a client.

Fornia Young, Branch Manager of JMMB Knutsford Blvd. dances up a storm with client Alvin Murray.

Service

Ever so often the right thing happens, in the right place, at the right time.
These events are not simply happenstance,
They are the result of the right person taking a chance.
For everything you've done and all that you do.
Those who've served our great nation,
JMMB salutes you.

JMMB GROUP

Strong Sustainable Community Partnerships

Standing in Love

Our Solid Commitment to Y.U.T.E.

Strong Sustainable Actions That Serve Our Country

Y.U.T.E working at JMMB

As an organization with a strong sense of its corporate social responsibility, JMMB was one of the companies that stepped up and contributed to nation building in this way. The company has put its money and its resources where its mouth is and has employed twelve persons from the programme.

Y.U.T.E. was borne of an initiative of the Private Sector Organization of Jamaica (PSOJ), in the aftermath of the upheavals in west Kingston in May 2010. The main objective of the Y.U.T.E. programme is to empower unattached youth in eight depressed communities by improving their employability through mentorship and skills upgrade; and give them opportunities for gainful and lawful employment through work experience and start-up entrepreneurial ventures. In a few short months, the PSOJ received widespread support from member and non-member entities and cash commitment of J$130 million.

The Y.U.T.E. Programme is different from other social intervention programmes in its multifaceted approach, integrally involving the private sector from the ground up: from planning, resourcing and executing. It also hones in on the root causes of violence and unemployment among young people through an aggressive two-year programme.

Phase One, January 2011-June 2013, of the programme is being implemented in eight Kingston communities. It is focussed on youth unemployment aiming to create about 1,295 jobs impacting communities in Denham Town, Mountain View, Parade Gardens, Rockfort, Olympic Gardens, Tivoli Gardens, Jones Town and Trench Town.

Apart from its financial contribution of J$20 million, JMMB itself has played a strong leadership role in the programme's implementation. We have continued to provide leadership and guidance through the participation of our Group CEO, Keith Duncan,

Left:
Clitha Nelson, Y.U.T.E participant with Mrs. Sandra Glasgow

Right:
Ricardo Bailey, Y.U.T.E participant, with Mrs. Glasgow.

who chairs the Programme Development and Execution team and Imani Duncan-Price, our Group Marketing Manager, who adds her expertise to the project steering the Communications and Creative Engagement process. A proud Maureen Webber, Head of the Project Management team for Y.U.T.E. explained that the programme accommodates young people who are new to work as well as those who have already had work experience, and many of them have grown in their approach to work and general confidence in themselves. The programme has also trained several hundred persons as mentors.

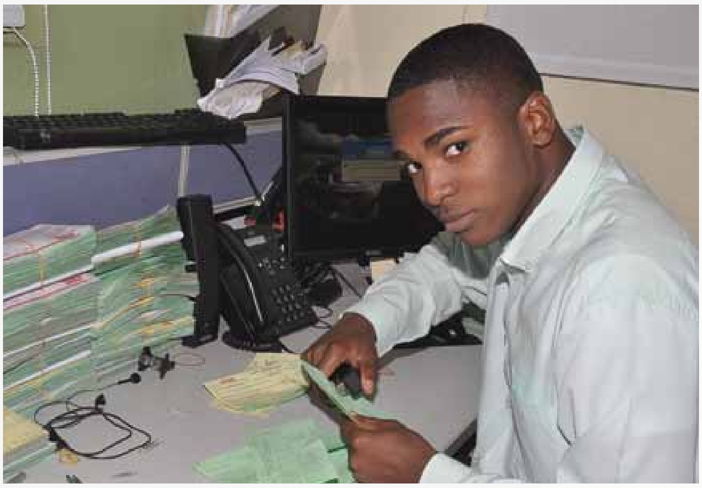
"We are so impressed with the way the Y.U.T.E. participants have conducted themselves that, even though initially they came on a one-year contract, based on their performance and our manpower needs, we have extended some of the contracts," says Charmaine Brooks, JMMB's Training Manager. We have even taken on one person as a permanent employee, she stated. The Y.U.T.E participants demonstrated growth in their ability to adapt to their work environment and assume additional responsibilities. They were also actively involved in social activities at JMMB. "Consistent with JMMB's Vision of Love, showing mutual respect to all and sharing love unconditionally, our team members rose to the challenge and have been participating in the programme enthusiastically as mentors, a critical component of the programme, and workshop facilitators," says Brooks.

> "It has been eighteen months since the birth of the Youth Upliftment Through Employment (Y.U.T.E.) programme and JMMB's active commitment and support is unwavering."

Brooks excitedly explained the upcoming launch of Y.U.T.E I.D.E.A.S. (Individual Development Enhancement and Support) where through the Y.U.T.E programme team members will receive official training in mentorship, to transition to the next phase of life's journey. Among other things, the programme will assist in matching the synergies between employers (mentors) and their mentees. I.D.E.A.S. is a JMMB initiative meant to bolster the existing Y.U.T.E. programme at JMMB in order to be more deliberate in preparing the Y.U.T.E. employees for the next step in them achieving their ultimate career goals/ objectives. JMMB team members will receive official training in becoming mentors and there will be specific workshops focused on personal and professional development of the Y.U.T.E. employees.

Y.U.T.E. IN ACTION

"Ashani and LaSania are two of JMMB's star Y.U.T.E. performers."



Nineteen year old Ashani Webb, a graduate of Excelsior High School who has been employed to JMMB for over a year, describes himself as a team player and someone who loves to be a role model to others.

"My ambition is to be the best HR manager you could ever find," says Ashani who has been the Utilities Officer for the Financial Analyst Control Team (FACT). His daily duties includes clearing the bag with the branches' official documents; filing lodgement slips and other documentation to facilitate research. He has thoroughly enjoyed his work experiences at JMMB and the interaction with his colleagues.

Ashani, who grew up in the Rockfort community says he was referred by a friend to the programme and explains that it has given him a sense of stability. He has plan to go back to school and complete a degree in business administration minoring in banking and finance. "Working at JMMB through the Y.U.T.E. programme has brought me to a great place in my life and I have no regrets."

LaSania Coley is 20 years old and heard about the programme from the leader of her youth club at Denham Town while a sixth former at St. Andrew Technical High School.

"As an employment initiative, Y.U.T.E. was not the typical one. The difference was that during the waiting period they offered you mentorship. I was happy to be on board with this. "I have been at JMMB since October last year and was assigned to the Business Process Management Office. As an artistic person my ambition is to become a marketing manager or become involved in the fashion designing business.

"The Y.U.T.E. programme has opened a door for me and allowed me to keep myself open to opportunities. What I like about it is that the programme teaches you that if something is not working for you one way, you can find another way to succeed. It definitely teaches you how to fish and to focus on your goals."

LaSania Coley, seeks advice from Marsha Gaye Hibbert – Project Manager, (seated).

Standing in Love:

Strong, Sustainable Community Partnerships Corporate Social Responsibility: Continued Engagement

"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..."

Excerpt from JMMB's Vision of Love

As a corporate citizen, JMMB's commitment is to create and inspire positive change through nation building and the empowerment of people with outreach and development initiatives. This commitment is grounded in the JMMB values of love, openness, honesty, integrity and care with the corporate social responsibility areas of focus being social transformation, sports, health, education and cultural events.

JOAN DUNCAN SCHOOL OF ENTREPRENEURSHIP, ETHICS & LEADERSHIP

On May 18, 2011, the University of Technology, Jamaica (UTech), in partnership with the JMMB Group, held a special ceremony to re-brand the School of Entrepreneurship, now called the Joan Duncan School of Entrepreneurship, Ethics and Leadership (JDSEEL), College of Business and Management, UTech. The school was renamed in a move to promote ethical standards in business, reduce corruption in Jamaica and foster socio-economic development, as well as to honour JMMB's co-founder, Joan Duncan. The JMMB family had cause for celebration, as the launch took place on Joan Duncan's birthday.

The J$81.7 million endowment fund will help to advance teaching and research in entrepreneurship, economic growth, moral considerations in business decision-making, human rights and globally conscious leaders. The Endowment Fund will cover: the award of scholarships; intellectually rigorous and practical research and course development on leadership, ethics and financing economic growth; an annual public lecture on disciplines that will advance Jamaica's direction towards the values expounded in the National Vision 2030 Plan and short professional courses and seminars, conferences and publications focussing on ethics and leadership.

UTECH AND PARTNERSHIP: Former Minister of Finance, Audley Shaw (left) shares a few words with UTech President, Professor, the Hon. Errol Morrison, OJ (centre) and Keith Duncan, JMMB's Group CEO at the presentation of the Endowment Cheque for the Joan Duncan School of Entrepreneurship, Ethics and Leadership (JD SEEL).

CUMI

The Committee for the Upliftment of the Mentally Ill (CUMI) provides a comprehensive rehabilitation programme including activities which are designed to improve the lives of those who face mental challenges as well as homelessness. Participants in the programme are empowered to live normal, productive lives within their families and society, through the imparting of the necessary knowledge and coping skills.

In August 2011, the CUMI Rehabilitation Day Centre, Brandon Hill celebrated its twentieth year. JMMB joined CUMI in celebrating this significant milestone for the Board of Directors, as well as city of Montego Bay, as they can stand proudly for making continued contributions to the development of community mental health care in the second city.

The CUMI fundraising committee, organizers and sponsors of the annual CUMI 'Come Run' event, report that the event contributed significantly to the growth of the CUMI Trust Fund, which is now under the management of JMMB.

JMMB's contributions include monthly cash donations as well as donated time.

The CUMI Day Centre facilitated 3,641 client visits.

During the period under review, 10 new patients were admitted, with the organisation serving 5,164 meals (breakfast and lunch). In addition, six clients were employed in full or part-time positions. Many other clients who achieved long periods of stability and wellness were employed as day workers, utilizing their earning powers.

CUMI CHILDREN'S PROGRAMME: OUR SPECIAL FOCUS

The Children's programme provides support for the children of the mentally ill, who themselves struggle with emotional and psychological issues. The CUMI organizers work along with various schools, the children's coordinator and the psychologist, to find the appropriate supportive mechanism along with the best learning tools, so that each child is afforded the opportunity to realize his or her full potential.

JMMB undertakes all the financial costs associated with raising the children, as well as for interventions. During the period, CUMI has had successes with the children, several of whom have passed their examinations and have graduated with distinction. Of significant note is the story of Ottoa Wilson **(See Page 81).**

JMMB Team support of CUMI 'Come Run'

JMMB/JFF/UTECH Coaching School

When the JMMB/JFF/UTech Coaching School was established in 2009, the Jamaica Football Federation (JFF) declared its commitment to raising the standard of local coaching and the development of a uniform coaching philosophy. We are pleased to have maintained our partnership with both the JFF and UTech, as we ultimately move towards the advancement of the national football programme. To date, 400 coaches across the island have responded positively, taking on the challenge of equipping themselves to adequately train the talented youngsters who represent Jamaica in the sport on different levels; to turn talent and inspiration into results, and ultimately to continue to inspire positive change in our society, through the very important avenue of sports. The coaching school partnered with experienced professionals from Jamaica and overseas to administer the various modules, which included Sports Psychology, Ethics of Football Coaching, Coaching Methods and Styles and Technique Development, Technical/Tactical Development and Communication, among others.

JMMB GROUP

The following were achieved from March 2011 - April 2012:

- 4 Advanced Level I courses and 2 Advanced Level II courses were taught, translating to a total of 11 Advanced Level I courses and 4 Advanced Level II courses since the inception of the programme.
- There were 167 participants – 113 in Advanced Level I and 54 Advanced Level II.
- 150 coaches graduated – 109 Advanced Level I and 41 Advanced Level II. A total of 373 coaches have graduated to date.
- The top six graduates in the Advanced Level I programme averaged between 88%-93% in both the Science and Technical modules.
- Mr. Warren Simpson, who is attached to the Glenmuir High School, was listed as one of the most outstanding participants in the Advanced Level II programme, finishing with an overall average of 85%, the highest of both Advanced Level II cohorts.

Andrew Edwards – St Elizabeth Technical (2009 DaCosta Cup Champions)

"Was the coaching school beneficial to me? The answer is a resounding yes. It exposed me to the scientific aspect of coaching – biomechanics, the whole muscular skeletal system, nutrition, the value of it, foods that will enhance performance and food preparation. Because of the course I was better able to plan and execute training sessions. The overall understanding and deployment of tactics have become better as a result of the course. Finally, the course broadened my networking with fellow coaches and especially the instructors who are a constant source of advice and mentorship."

OTHER INITIATIVES

Sports

JMMB is also proud to have invested in the renovation of the Jamaica National Stadium Pool's Control Booth through a partnership with the Amateur Swimming Association of Jamaica. The original booth had deteriorated significantly and was even considered unsafe. The modern, expanded booth, now called the JMMB Control Booth, will be the information centre for all competitive swim meets, approximately 16 per year, and will contribute to the development of the athletic potential of Jamaican swimmers.

Sigma Corporate Run

The team continued its unwavering support of the PanCaribbean Sigma Corporate Run, which saw participation from more than 70 corporate companies, totalling over 16,000 runners, including approximately 200 JMMB team members and their relatives. At the 14th staging of the event, participants completed a 5.6 k run, with the organisers raising over J$33 million. These funds will go towards assisting the cardiac programme at the Bustamante Hospital

JMMB/JFF/UTECH Coaching School: 150 coaches have graduated – 109 Advanced Level I and 41 Advanced Level II. A total of 373 coaches have graduated.

for Children, outfitting the cardiac unit with beds, monitors and ventilators as well as other vital equipment.

Relay for Life

The JMMB Group remains committed to helping the Jamaica Cancer Society in its fight against cancer. Through a JMMB Sports Club initiative, team members embarked on a collection drive aimed at raising funds for the Jamaica Cancer Society through its Relay for Life project. The team was proud to subsequently present a cheque totalling J$550, 000 to the Jamaica Cancer Society, with several team members going a step further and participating in the annual Relay for Life event, which is described as 'a unique, fun way to raise money for the Jamaica Cancer Society while increasing cancer awareness and celebrating survivorship'.

Reggae Marathon

Our team members and their relatives and friends journeyed to the north coast to participate in what has become one of the premier events on Jamaica's racing calendar.

Participants enjoyed the marathon, half-marathon and 10k run, in a fun, healthful exercise which also contributed to team building.

Branch Activities

Our branch network identifies need within their respective communities and extends a hand of hope. The teams devote their time, efforts and financial assistance towards various activities, as they seek to empower individuals within their communities.

During the course of the year, the main initiatives which our branch network supported were in the areas of community development, partnering with individuals and organizations to foster social/civic and family improvement; education through monetary contributions to undertake costs associated with efforts such as a School Feeding Programme and supporting with much-needed infrastructural changes to provide greater comfort for teachers and students, as well as assisting with administrative costs; and health, assisting individuals and communities with medical costs associated with health challenges.

Team Members enjoying the Reggae marathon, half-marathon and 10k run victory.

Jamaica Business Council on HIV/AIDS (JABCHA) held a dinner where Group Marketing Manager, Imani Duncan-Price was the guest Speaker. Here, JMMB ladies strike an elegant pose.

Team Members paint up the Sandy Park Basic School for Labour Day.

Ottoa Wilson, CUMI beneficiary

OTTOA WILSON
- the art of living

Promoting the visual arts for the betterment of society is Ottoa Wilson's dream. A recent graduate of the Edna Manley College of the Visual and Performing Arts, Ottoa's appreciation of the aesthetic value of art is trumped by what she sees as its positive socio-political spin-offs and she is intent on making this her life's mission.

"CUMI assisted me through difficult times with encouragement and upliftment," Ottoa reminisces. "They were my rock and believed in me. I am immensely grateful for their support. JMMB was also a major help. They funded my education and ensured that my health expenses were taken care of so that I could pursue my education."

Ottoa is the epitome of the art of living fully and positively and it is her own story that has been the major inspiration for a lifetime of artistic exploration and expressions. Having endured a less than perfect childhood, the determined and passionate 23-year-old is now bent on using those negative experiences to positively impact others through her art, which most recently got rave reviews during the College's graduation exhibition.

As a child, Ottoa entered the Montego Bay-based, JMMB-supported CUMI programme with a history of mental and physical abuse as well as a learning disorder. Despite the challenges she faced at home, the CUMI Children's Programme provided her with the necessary physical, emotional and psychological support to nurture her natural affinity for art and to pursue her dream of attending the Edna Manley College of the Visual and Performing Arts. Today, she is the proud holder of a Bachelor of Fine Arts degree from that institution and thanks art for saving her.

"Art is a great healer. When I was going through my childhood challenges, art was the place I could turn to, to constructively let go of the hurts. I could articulate my emotions through art and that was a good thing for me. It was therefore an easy decision for me to pursue art as a career."

After her first year of college, she was exposed to areas of Visual Arts, however she focused on Painting with a minor in Ceramics. She has a great respect for local artists but is particularly fond of those artists whose art reflect a revolutionary stance and helps persons to understand society's deeper issues.

"I want to position art – the practice of it and the accessibility of it – as the voice through which the disadvantaged and vulnerable in society can find a positive place to express themselves. I want to connect art to social development and it is my dream to own a gallery which will impact community development and help others. For me, a career in the arts is not just about making money; it's about bringing about change to the socio-political landscape and creating a better standard of living for all."

To enable this process, the Montegonian believes that corporate Jamaica and the government need to play more proactive roles in fully promoting art. "I don't think businesses or the government are investing in this area as much as they should, certainly not as much as in other 'traditional' career choices. There are such amazing physical, emotional and mental benefits of art and we need to ensure the general public has access to it."

Despite what she sees as this lack of full public and government support, she is quick to encourage young students who may be drawn to the arts but who are discouraged by the thought of becoming 'struggling artists'.

"Don't give up on your dream. You're probably being told there's no future in becoming an artist. Yes, the options are limited in Jamaica for artists, but always pursue your passions."

Joy Crooks, a member of the CUMI administration, remembers Ottoa well and speaks highly of her. "I met Ottoa in 2006 when she attended Mount Alvernia High School. She was having some problems and her counsellor recommended us give her the social, mental and spiritual support she needed. With the help of her psychologist and her own will, she overcame personal issues and was able to focus on visualising her goals in life. She has always been driven by art and her illustrations of the world were often strong and symbolic."

NATIONAL STADIUM CONTROL BOOTH: Keith Duncan (L) cutting the ribbon to officially open the new National Stadium Control booth which was refurbished by JMMB. To the right is Martin Lyn from the Amateur Swimming Association of Jamaica and Lauri-Ann Ainsworth, Marketing Communications Manager at JMMB.

Launch of the FIFA-led Advanced Level II Coaching Course on Wednesday, August 17, 2011 at the UTech, Papine Campus, with Lauri-Ann Ainsworth, Marketing Communications Manager at JMMB.

JMMB TEAM

LOVE

INTEGRITY

FUN

Left page

Top left: Susan Whyte and Charmaine Dyche have a grand time at the Christmas party.

Top right: Getting ready for Fun Run.

Bottom: TIME OUT FOR THANKS: JMMB's annual Thanksgiving Service was held at the Mona Visitors Lodge in January 2012. Team members took time out to give thanks for their accomplishments and look towards the coming year.

Right page

Top photos: Fun Day held at Shaw Park Beach, Ocho Rios

Bottom Photos: Time out for thanks

TOGETHERNESS

A Vision of Love

Each Team Member's Declaration:

I believe so strongly in myself that I will not get defensive by criticism as I know that every experience is an opportunity for growth. I will nurture and build my fellow team players. I will use every opportunity to praise and give thanks. I embrace the uncertainty that forms part of my vision. I have a strong enough faith to know that everything that happens along my path happens for a reason, and that all things work together for my good.

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.

> *"The organization is based on unconditional love and mutual respect. This love is expressed in ongoing day to day working relationships and performance."*

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.



Trust

Never underestimate the power of faith in people
Of belief in yourself, of hope for tomorrow. Because it takes trust to make changes,
To foster responsibility and grow a family. We are a family because our roots go deep
Into the unique history of trust in company cultivated out of love.

Accountablity

Transparency

Integrity

Corporate Governance Principles and Guidelines

Financial institutions play a pivotal role in the development and stability of a country's economy as they:

- Facilitate the efficient movement of funds between savers and investors
- Provide financial services and access to a wide cross-section of the population
- Facilitate access to the payment systems

With the advent of globalization, innovations in financial products and channels of delivery, technological advances, growing competitiveness and complexity of financial operations, the risks to which these entities are exposed have significantly increased and as such have heightened the need for good governance. The primary risks associated with securities dealing are:

- Liquidity
- Market
- Credit
- Interest rate
- Operational

In response to the need for good governance, the Jamaica Money Market Brokers Group Limited ("the Group"), has designed and implemented a Corporate Governance Structure, as set out in this policy, to manage the primary risks identified above.

BOARD OF DIRECTORS

The primary role of the Board of Directors is to provide effective leadership and oversight of the Group's affairs for the benefit of its shareholders and its other stakeholders, including its customers, team members, suppliers, local communities and regulators. In this context, the Board is to provide guidance and support to a competent Executive Team Leaders (ETL), ultimately ensuring the safe and sound operation of the organization. The Board therefore ensures that the ETL is suitably qualified and properly structured to carry out its responsibilities.

The Board also has the responsibility to oversee the Group's businesses and affairs, and to exercise reasonable business judgment on behalf of the Group, ensuring optimization of shareholder value whilst being mindful of its fiduciary obligations to its regulators and investors. In discharging this obligation, the Board relies on the honesty, integrity, business acumen and experience of the Groups's management, its outside advisors and the Group's independent registered public accounting firm. Other primary responsibilities of the Board include strategic planning and risk management.

COMPOSITION OF THE BOARD:

The composition and structure of the Group Board should be consistent with local and statutory and regulatory requirements and best practices. The size and complexity of the Group shall also be considered in determining the composition and structure of the Board.

a. The Board should be composed of at least seven (7) members to eleven (11) members.

b. A quorum is formed by a minimum of four (4) members of which two (2) shall be Independent Directors.

c. The Board should have a mix of Independent and Executive Directors, with a sufficient number of Independent Directors to ensure that the Board Committees have the required number of Independent Directors (minimum of three (3) Independent Directors, one of whom will serve as chairman of each Board Committees) to operate. At least one of the Executive Directors shall not be connected by significant independent shareholding.

Currently, the Board is comprised 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 SUB-COMMITTEES

In accordance with best practices and established principles of corporate governance, the Board delegated some of its responsibilities to the following sub-committees

- Audit Committee
- Finance Committee
- Risk Committee
- Human Resources and Compensation Committee
- Credit Committee
- Nominations Committee
- Corporate Governance Committee
- Acquisition Committee **

Each sub-committee 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.

** The Acquisition Sub-Committee Board was constituted as an ad hoc committee to review and approve all major deliverables and other documents related to the acquisition of the Capital and Credit Financial Group for the life of the Project.

BOARD COMPOSITION

BOARD COMPOSITION			BOARD COMMITTEES							
Names	Title	Position	Audit	Risk	HR & Compensation	Credit	Finance	Nominations	Corporate Governance	Acquisition
Noel Lyon PhD	Chairman	Non-Executive						Member	Member	
Keith Duncan	Director & CEO	Executive								
Donna Duncan	Director	Executive			Member			Member		
Archibald Campbell	“”	Independent	Chairman	Chairman		Member	Chairman			Chairman
Ann Crick PhD	“”	Independent			Chairman			Chairman	Chairman	
V. Andrew Whyte	“”	Independent	Member	Member		Chairman	Member		Member	Member
Wayne Sutherland	“”	Non-Executive				Member		Member		Member
Dennis Harris	“”	Independent	Member	Member	Member		Member			Member
Rodger Braham	“”	Independent		Member		Member		Member	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 areas of operations that were audited for the financial year ending March 31, 2012 included, accounting function, securities and settlement, retail operations, compliance, information technology, risk, pensions, credit 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

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

KPMG was re-appointed as the external auditors as the Board is satisfied that the un-audited and audited financials are complete and consistent and conform to 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 Human Resources and Compensation Committee (the "Committee") is to assist the Board of Directors (the "Board") in discharging its duties with regards to the Company's Human Resource Management, ensuring that the activities are consistent with policies and directives of the Board; and to formulate and review the compensation programmes for senior executive officers and board members, ensuring compensation is consistent with the objectives, strategy and control environment across the Group to ensure truth, fairness and compliance with the legal requirements of the country and the company's mission and values.

- The Committee will assist the Board in discharging the foregoing duties with respect to any business of the Group as may be assigned by the Board.

- The Committee whilst not relinquishing the full Board of its responsibilities can enable directors to more effectively discharge their responsibilities.

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.

ACQUISITION

The Acquisition Sub Committee Board was constituted as an ad hoc committee to review and approve all major deliverables and other documents related to the proposed acquisition of the Capital and Credit Financial Group for the life of the Project.

NOMINATION

- The role of the Nomination Committee is to assist the Board to:

- Identify individuals qualified to become Board members.

- Ensure that the Board composition enables successful management of the Group.

- Select, or recommend that the Board select, Director nominees meeting fit and proper requirements stipulated by the Bank of Jamaica and Financial Services Commission.

- Provide the Board with self-assessments of Board effectiveness on an annual basis.

CORPORATE GOVERNANCE

- The role of the Corporate Governance Committee is to assist with oversight of:

- General matters related to Corporate Governance and conduct

- Establish policy framework and procedures to deal with matters of conflict of interest

ATTENDANCE AT 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.

BOARD OF DIRECTORS AND BOARD COMMITTEE MEETINGS								
Number of meetings held for the year		13	4	2	7	4	7	4
Names	Position	Board	Audit	Risk	HR & Compensation	Credit	Finance	Acquisition
Noel Lyon PhD	Non-Executive	100%						
Keith Duncan	Executive	100%						
Donna Duncan	Executive	92%			100%			
Archibald Campbell	Non-Executive	90%	100%	100%		100%	100%	100%
Ann Crick PhD	""	91%			100%			
V. Andrew Whyte	""	92%	100%	100%		100%	100%	50%
Wayne Sutherland	""	85%				100%		100%
Dennis Harris	""	75%			86%		86%	50%
Rodger Braham	""	85%		50%		75%		100%
Hugh Duncan	Executive	64%						

CORPORATE CITIZENSHIP

The Board shall ensure that the Group, through its management, maintains high ethical standards and effective policies and practices designed to protect the Group's reputation, assets and businesses. In order to do so, the following shall be considered.

- The Board has developed and adopted a Business Code of Conduct and a Code of Ethics to establish standards of business conduct and ethical behaviour for Directors, ETL and other personnel of the Group.
- The Board shall ensure that they set the appropriate "tone at the top" and adhere to the Group's values and principles.

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 the 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

1. Maintain open communication with the regulators on all material issues pertaining to the company ,
2. Comply promptly and fully with requests for information as required by law,
3. Are aware of the findings of the on-site examination process and direct senior management to determine whether similar problems exist elsewhere in the Company and take corrective action.

THE WAY FORWARD

The JMMB Group is committed to the principles of Corporate Governance and will review at least annually to ensure that the policy and practices are in keeping with best practice and applicable to the environment in which we operate

JMMB GROUP

Risk Management

INSTITUTIONALIZED AND INTEGRATED RISK MANAGEMENT

As the JMMB Group pursues its growth and expansion strategies across business lines and geographical locations, it recognizes that it has to manage a broader suite of interrelated risks with unique challenges and complexities. JMMB understands that having a comprehensive risk management process is a key component in running a successful organization. This ensures that at the strategic, business unit and business process levels, all risks are accounted for and managed and that there is a process in place to identify risks on an ongoing basis.

The Board and senior management of JMMB have given greater strategic focus to the Group's risk management activities. This ensures greater pro-activity and responsiveness to the challenges of our operating environment and the risks inherent in our business activities. In addition, improved understanding of and focus around emerging risks allows management to exploit emerging risks and seize specific opportunities to the benefit of JMMB's clients and shareholders.

Thus, throughout FY 2011/12, we sought to further institutionalize our risk management practices and increase our risk management capabilities to meet our expanding demands. The strategy has been to build a more integrated framework, where risks are managed as a portfolio at the enterprise level. This provides management with a broader, more accurate view of the institution's risks and improves our ability to make strategic decisions.

RISK MANAGEMENT PRINCIPLES

JMMB remains committed to the following core principles of its risk management framework

i. The practice of risk management is deeply rooted in the culture of the organization and that the Board, Senior Management, Team Leaders and all team members are aware of and aligned on their role and responsibility in risk management.

ii. Best practice risk management techniques are employed in managing the various risks to which the company is exposed and adequate resources are allocated to the management of risk.

iii. Effective and adaptive processes are implemented for the ongoing identification, measurement and management of all risk exposures.

iv. The enterprise is adequately capitalized to protect against the effects of major shocks to the company.

Risk Appetite

In providing value to its stakeholders, JMMB of necessity faces some uncertainty which may represent a risk or opportunity. The Board of Directors must then determine the level of uncertainty (or risk) that it is prepared to accept as it seeks to grow stakeholder value and meet its stated objectives; that is its risk appetite.

This risk appetite serves as a guide for more detailed considerations of various risk exposures and the determination of more specific risk tolerances. Thus, in addition to an overall risk appetite that gives a broad picture of the risk we are willing to take, risk tolerances are specified for each risk exposure and are captured in their respective risk policies (for example, Maximum allowable liquidity gap, Minimum Capital to Total Assets).

The Risk Landscape FY 2011/12

The worsening Euro-zone crisis negatively affected the risk landscape during the financial year under review. With Greece's nearing default, significant concerns arose about the solvency of European banks that were significantly exposed to that credit. In addition, there was renewed apprehension about the fiscal condition of other European sovereigns such as Portugal, Italy and Spain. Despite the aid packages agreed for Greece and the European banks, the underlying unease still persisted. The result was increased global risk aversion which saw investors generally remaining in safe assets and holding unto considerable liquidity. Financial markets remained very liquid and the relative stability which characterized local and global financial markets in the previous financial year, continued into financial year 2011/2012.

Locally, there was increased risk aversion. Investor confidence waned due to an uncertain political landscape which arose from the deterioration and eventual lapse of Jamaica's IMF programme. General elections in December 2011 and the uncertainties of a change of government also impacted market confidence. As a result, there was some pressure on and depreciation of the Jamaican dollar. Demand for GOJ Global bonds was also very weak and prices have declined year over year. On the other hand, interest rates in the local market remained at historic lows or edged lower, primarily on the basis of single digit inflation and significant market liquidity. Risks remain biased towards increases in interest rates as the fiscal outlook remains weak and confidence continues to wane.

As market concerns have increased JMMB has pursued a moderately conservative investment strategy, minimizing its exposure to market risks. Further, we have focused on building sufficient liquidity reserves to respond to any unforeseen challenges in the market.

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 are fully aligned in their role and responsibility in risk management. JMMB has also sought to further entrench risk management in the fibre of the organization by better integrating risk management into all business activities, moving the organization further along in the application of enterprise risk management.

JMMB's Board of directors, assisted by the Board's Risk Committee, actively oversees the company's risk exposures. The 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.

RISK MEASUREMENT AND CONTROL

Our risk management activities cover several risk exposures which are broadly categorized as: Market Risk, Credit Risk, Liquidity Risk and Operational Risk.

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. However, VaR calculations are based on historical return data and VaR is therefore limited in its ability to predict possible market risk exposures. Therefore, stress tests and scenario analyses are employed to help identify risks which VaR analysis may not adequately capture.

JMMB performs daily calculations of a 10-day VaR at a 99% confidence level. The 10-day VaR is used on the basis that the Company should be able to hedge or dispose of its positions within that period. Stress tests are applied to the portfolio on at least a monthly basis. 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.

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 value of fixed income 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 the general increase in market uncertainty during FY 2011/12, JMMB's perspective is that interest rates are biased upwards going forward. In this context, JMMB focused 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 FY2011/12, 39% 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.

Credit Risk

Credit risk represents potential loss in value that may be incurred should a counterparty fail to honour 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 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 re-investment 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 2011/12, JMMB maintained significant levels of liquidity (cash and marketable securities) amid concerns about the fragility of global and local markets. Cash and cash equivalents as at year end amounted to J$3.9 billion; 18% higher than the J$3.3 billion at the end of the previous year. This ensured that JMMB remained in a position to meet its obligations in the event that stressed liquidity conditions materialized.

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 Senior Management Team have overseen the implementation of suitable controls for internal processes and systems, mandated the segregation of certain duties and established comprehensive business continuity plans to safeguard against disasters. A rigorous and independent internal auditing framework exists to ensure that significant risks are properly identified and adequately managed. JMMB's internal auditors, PricewaterhouseCoopers, conduct regular audits and provide quarterly reports to the Board Audit 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.

DELIVERING SUSTAINABLE RESULTS

JMMB remains firmly committed to its strategic goal of business line and geographic diversification. The benefits are twofold: JMMB is better able to meet the needs of its clients as a full-service financial institution and the company reduces its business risk through additional revenue streams and a further diversification of risk exposures.

With current and future planned expansions, JMMB will continue to ensure that its investment and focus on risk management are commensurate with its size and business activities to ensure that it continues to deliver sustainable results for all its stakeholders.

JMB GROUP

MILESTONES

JMMB's Milestones: November 1992 – March 2012

The JMMB Group has established itself as one of the leading brokerage houses in the Caribbean, now offering a wide range of investment solutions, banking and insurance services in Jamaica, Trinidad & Tobago and the Dominican Republic. Known for its pioneering spirit, the Group has consistently introduced new services to its extensive client-base of over 190,000 - individual, corporate and institutional.

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.

1994

In March, the branch network was established 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.

The expanded new Montego Bay Branch, opened in April 2011.

1992

1993

In January, JMMB traded its first Corporate Paper and on May 13, the Jamaican Dollar Money Market Fund was established. In the same year, the Company moved to the Island Life Centre in New Kingston.

1995

In September, JMMB opened its Portmore Branch.

1996

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

1998

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

On July 5, JMMB's founder and Managing Director, Joan Duncan passed away. Her daughter, Donna Duncan-Scott, 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

1997

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

1999

In June, JMMB opened the doors to its branch in Mandeville.

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.

2002

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

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'.

2000

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). On March 7, 2002 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, 2002. CMMB Securities Limited began actively trading on the Stock Exchange on April 12, 2002.

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

CMMB
CARIBBEAN MONEY MARKET BROKERS

2003

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

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 was rolled out and JMMB Insurance Brokers (JMMB IB) Limited opened its doors.

The May Pen branch opened in November 2004.

2006

Santa Cruz Branch opened in April 2006.

The Trinidad Select Index Fund began trading in Jamaica in July.

2007

2005

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

In January 2005, 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 Trinidad and Tobago.

2007

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

In November, a new suite of credit services was launched in Jamaica 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.

2010

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

2008

2009

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

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

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 Insurance Brokers (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 Category'.

In April, the Company launched the 'Car Solution' as our first 'Comprehensive Solution', a combination of bundling the right products, the right plan and the right partner, indicating further commitment to helping Serious Savers achieve their goals faster.

On May 18th, the birthday of our co-founder Joan Duncan, the Group was delighted to honour her memory and legacy by committing J$80 million to the University of Technology (UTECH) in support of the Joan Duncan School of Entrepreneurship, Ethics and Leadership (JDSEEL).

On May 25th, JMMB IB launched the Smart Choice Home Insurance product – a unique package of covers including $1million in free contents coverage, underwritten by American Home Assurance, specifically for the extensive JMMB client base.

2012

2012

In March, JMMB Puesto de Bolsa, S.A. celebrated the launch of its new branch as part of a strategic alliance with prominent Art Gallery Arte San Ramon. The new branch will alternately function as an art gallery, in which clients and the public in general will be able to appreciate the creative genius of local artists and simultaneously have the opportunity to invest in the sector.

At the end of the 2011/12 Financial Year, the Company reported Net Profit of J$2.24 billion (US$25.7 million), the highest profits generated in our 20-year history.

Financials

Index of Financial Statements

Auditors' Report

31 MARCH 2012

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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 110 to 186, which comprise the group and company statement of financial position as at 31 March 2012, 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 notes 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 internal controls 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 or not the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the our judgment, including our 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 controls 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 controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Auditors' Report
31 MARCH 2012

KPMG

To the Members of
JAMAICA MONEY MARKET BROKERS LIMITED

Report on the Financial Statements, cont'd

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the group and the company as of 31 March 2012, and of the group's and company's financial performance, changes in equity and cash flows for the year then ended, in accordance with International Financial Reporting Standards and the Jamaican Companies Act.

Report on additional 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.

KPMG

Chartered Accountants
Kingston, Jamaica

May 30, 2012

Jamaica Money Market Brokers Limited
Consolidated Profit and Loss Account
Year ended 31 March 2012
(expressed in Jamaican dollars unless otherwise indicated)

	Note	2012 $'000	2011 $'000
Net Interest Income and Other Revenue			
Interest income	5	9,165,585	8,813,920
Interest expense	5	(5,626,237)	(6,294,878)
Net interest income		3,539,348	2,519,042
Fee and commission income		225,291	114,543
Gains on securities trading, net		2,042,260	1,232,391
Fees earned on managing funds on behalf of clients		39,527	50,425
Foreign exchange margins from cambio trading		141,053	156,683
Operating revenue net of interest expense		5,987,479	4,073,084
Other income			
Dividends		11,413	19,314
(Loss)/gains on sale of property, plant and equipment		(430)	7,101
		5,998,462	4,099,499
Operating Expenses			
Staff costs	6	(1,724,133)	(1,259,065)
Other expenses		(1,490,570)	(1,326,884)
		(3,214,703)	(2,585,949)
Operating Profit		2,783,759	1,513,550
Impairment loss on financial assets	7	-	(28,242)
Share of profits of associated companies (net of tax)		30,258	24,327
Profit before Taxation	8	2,814,017	1,509,635
Taxation	9	(573,561)	(366,705)
Profit for the Year		2,240,456	1,142,930
Attributable to:			
Equity holders of the parent		2,216,808	1,116,272
Non-controlling interest		23,648	26,658
		2,240,456	1,142,930
Earning per stock unit	10	$1.51	$0.76

The notes on pages 123 to 186 are an integral part of these financial statements

JMMB GROUP

Jamaica Money Market Brokers Limited

Consolidated Statement of Comprehensive Income

Year ended 31 March 2012

(expressed in Jamaican dollars unless otherwise indicated)

	2012 $'000	2011 $'000
Profit for the Year	2,240,456	1,142,930
Other comprehensive income		
Unrealised (losses)/gains on available-for-sale investments	(316,580)	1,889,131
Gains reclassified and reported in profit	-	(344,726)
	(316,580)	1,544,405
Foreign exchange differences on translation of foreign subsidiaries	(31,196)	29,134
Total other comprehensive income, net of tax	(347,776)	1,573,539
Total comprehensive income for year, net of tax	1,892,680	2,716,469
Total comprehensive income attributable to:		
Equity holders of the parent	1,871,904	2,689,811
Non-controlling interest	20,776	26,658
	1,892,680	2,716,469

The notes on pages 123 to 186 are an integral part of these financial statements

Jamaica Money Market Brokers Limited
Consolidated Statement of Financial Position
31 March 2012
(expressed in Jamaican dollars unless otherwise indicated)

	Note	2012 $'000	2011 $'000
ASSETS			
Cash and cash equivalents	12	4,157,234	3,317,057
Interest receivable		1,904,807	1,760,130
Income tax recoverable		1,423,097	1,235,689
Loans and notes receivable	13	3,375,627	3,445,800
Other receivables	14	833,746	2,139,992
Securities purchased under agreements to resell	15	2,553,739	679,234
Investment securities	16	108,153,801	98,233,393
Membership share	17	19,520	19,520
Investment properties	19	457,591	457,591
Interest in associated companies	20	665,737	643,137
Intangible assets	21	86,090	77,788
Property, plant and equipment	22	1,102,948	991,427
Deferred income tax assets	23	2,617	18,300
		124,736,554	113,019,058

The notes on pages 123 to 186 are an integral part of these financial statements

Jamaica Money Market Brokers Limited
Consolidated Statement of Financial Position (Continued)
31 March 2012
(expressed in Jamaican dollars unless otherwise indicated)

	Note	2012 $'000	2011 $'000
STOCKHOLDERS' EQUITY			
Share capital	24	365,847	365,847
Share premium		13,775	13,775
Retained earnings reserve	25	8,222,323	-
Investment revaluation reserve		402,605	719,185
Cumulative translation reserve		(7,892)	20,432
Other reserves	26	-	13,672
Retained earnings		1,781,396	8,212,255
		10,778,054	9,345,166
Non-controlling interest		94,077	57,165
		10,872,131	9,402,331
LIABILITIES			
Securities sold under agreements to repurchase	27	107,591,924	97,068,266
Notes payable	28	470,688	623,873
Redeemable preference shares	24	2,759,346	2,924,994
Deferred income tax liabilities	23	752,393	1,157,747
Interest payable		937,521	922,493
Income tax payable		805,763	322,457
Other payables		546,788	596,897
		113,864,423	103,616,727
		124,736,554	113,019,058

Approved for issue by the Board of Directors on 30 May 2012 and signed on its behalf by:

Noel A. Lyon Chairman

Keith P. Duncan Group Chief Executive Officer

The notes on pages 123 to 186 are an integral part of these financial statements

Jamaica Money Market Brokers Limited

Consolidated Statement of Changes in Stockholders' Equity

Year ended 31 March 2012

(expressed in Jamaican dollars unless otherwise indicated)

	Note	Share Capital $'000	Share Premium $'000	Retained Earnings Reserve $'000	Investment Revaluation Reserve $'000	Cumulative Translation Reserve $'000	Other Reserves $'000	Retained Earnings $'000	Total Attributable to Equity holders of the Parent $'000	Non-Controlling Interest $'000	Total $'000
Balances at 31 March 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											
Unrealised gains on available- for-sale securities		-	-	-	1,544,405	-	-	-	1,544,405	-	1,544,405
Foreign exchange differences on translation of foreign subsidiaries		-	-	-	-	29,134	-	-	29,134	-	29,134
Total 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**
Profit for the year		-	-	-	-	-	-	2,216,808	2,216,808	23,648	2,240,456
Other comprehensive income for 2012											
Unrealised gains on available- for-sale securities		-	-	-	(316,580)	-	-	-	(316,580)	-	(316,580)
Foreign exchange differences on translation of foreign subsidiaries		-	-	-	-	(28,324)	-	-	(28,324)	(2,872)	(31,196)
Total other comprehensive income for 2011		-	-	-	(316,580)	(28,324)	-	-	(344,904)	(2,872)	(347,776)
Total comprehensive income for 2012		-	-	-	(316,580)	(28,324)	-	2,216,808	1,871,904	20,776	1,892,680
Transfer from retained earnings		-	-	8,222,323	-	-	-	(8,222,323)	-	-	-
Paid in capital		-	-	-	-	-	(13,672)	13,672	-	16,136	16,136
Dividends	11	-	-	-	-	-	-	(439,016)	(439,016)	-	(439,016)
Balances at 31 March 2012		**365,847**	**13,775**	**8,222,323**	**402,605**	**(7,892)**	**-**	**1,781,396**	**10,778,054**	**94,077**	**10,872,131**

The notes on pages 123 to 186 are an integral part of these financial statements

Jamaica Money Market Brokers Limited
Consolidated Statement of Cash Flows
Year ended 31 March 2012
(expressed in Jamaican dollars unless otherwise indicated)

	Note	2012 $'000	2011 $'000
Cash Flows from Operating Activities			
Profit for the year		2,240,456	1,142,930
Adjustments for:			
Interest income	5	(9,165,585)	(8,813,920)
Interest expense	5	5,626,237	6,294,878
Income tax charge	9	573,561	366,705
Share of profits of associated company		(30,258)	(24,327)
Provision for credit losses		156,926	108,452
Impairment of financial assets		-	28,242
Amortisation of intangible assets	21	23,509	23,720
Depreciation of property, plant and equipment	22	89,196	85,849
Losses/(gains) on disposal of property, plant and equipment		430	(7,101)
Foreign currency translation (gains)/loss		(21,944)	432,986
		(507,472)	(361,586)
Changes in operating assets and liabilities -			
Income tax recoverable, net		(509,865)	(551,376)
Notes receivable		(86,753)	85,642
Other receivables		1,306,246	487,885
Other payables		(50,109)	85,853
Securities purchased under agreements to resell		(1,874,505)	1,794,306
Securities sold under agreements to repurchase		10,523,658	(5,776,719)
		8,801,200	(4,235,995)
Interest received		9,020,908	9,709,974
Interest paid		(5,611,209)	(6,845,845)
Net cash provided by/(used in) operating activities (Page 9)		12,210,899	(1,371,866)

The notes on pages 123 to 186 are an integral part of these financial statements

FINANCIAL STATEMENTS

Jamaica Money Market Brokers Limited

Consolidated Statement of Cash Flows (Continued)

Year ended 31 March 2012

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2012 $'000	2011 $'000
Cash Flows from Operating Activities (Page 8)		12,210,899	(1,371,866)
Cash Flows from Investing Activities			
Investment securities, net		(10,502,987)	8,711,930
Purchase of computer software	21	(31,811)	(18,317)
Purchase of property, plant and equipment	22	(214,118)	(125,207)
Proceeds from disposal of property, plant and equipment		12,971	13,586
Purchase of investment properties		-	(408,903)
Net cash (used in)/provided by investing activities		(10,735,945)	8,173,089
Cash Flows from Financing Activities			
Proceeds from issue of redeemable preference shares		-	2,759,346
Repayment of redeemable preference shares		(165,648)	(2,524,437)
Notes payable		(153,185)	(24,777)
Loans payable		-	(7,043,932)
Dividends paid	11	(439,016)	(204,874)
Net cash used in financing activities		(757,849)	(7,038,674)
Effect of exchange rate changes on cash and cash equivalents		123,072	(89,024)
Net increase/(decrease) in cash and cash equivalents		840,177	(326,475)
Cash and cash equivalents at beginning of year		3,317,057	3,643,532
CASH AND CASH EQUIVALENTS AT END OF YEAR	12	4,157,234	3,317,057

The notes on pages 123 to 186 are an integral part of these financial statements

Jamaica Money Market Brokers Limited
Profit and Loss Account
Year ended 31 March 2012
(expressed in Jamaican dollars unless otherwise indicated)

	Note	2012 $'000	2011 $'000
Net Interest Income and Other Revenue			
Interest income from securities	5	7,815,843	8,098,778
Interest expense	5	(4,681,174)	(5,684,072)
Net interest income		3,134,669	2,414,706
Fee and commission income		71,269	52,283
Gains on securities trading, net		1,430,045	1,193,758
Fees earned on managing funds on behalf of clients		37,454	50,425
Foreign exchange margins from cambio trading		141,053	156,713
Operating revenue net of interest expense		4,814,490	3,867,885
Other income			
Dividends		8,970	16,477
Gain on sale of property plant and equipment		870	984
		4,824,330	3,885,346
Operating Expenses			
Staff costs	6	(1,534,383)	(1,120,030)
Other expenses		(1,319,560)	(1,148,214)
		(2,853,943)	(2,268,244)
Operating Profit		1,970,387	1,617,102
Impairment loss on financial assets	7	-	(28,242)
Profit before Taxation	8	1,970,387	1,588,860
Taxation	9	(535,802)	(359,359)
Profit for the Year		1,434,585	1,229,501

The notes on pages 123 to 186 are an integral part of these financial statements

FINANCIAL STATEMENTS

Jamaica Money Market Brokers Limited

Statement of Comprehensive Income

Year ended 31 March 2012

(expressed in Jamaican dollars unless otherwise indicated)

	2012 $'000	2011 $'000
Profit for the Year	1,434,585	1,229,501
Other comprehensive income		
Unrealised (losses)/gains on available-for-sale investments	(299,084)	1,977,913
Losses reclassified and reported in profits	-	(344,726)
	(299,084)	1,633,187
Total comprehensive income for year, net of tax	1,135,501	2,862,688

The notes on pages 123 to 186 are an integral part of these financial statements

Jamaica Money Market Brokers Limited

Statement of Financial Position

31 March 2012

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2012 $'000	2011 $'000
ASSETS			
Cash and cash equivalents	12	3,597,056	2,789,476
Interest receivable		1,372,383	1,251,156
Income tax recoverable		1,403,354	1,219,465
Loans and notes receivable	13	3,278,270	2,915,750
Other receivables	14	1,528,496	1,573,535
Securities purchased under agreements to resell	15	16,458,216	16,506,112
Investments	16	87,577,686	77,473,624
Interest in subsidiaries	18	1,175,490	1,165,490
Intangible assets	21	58,999	61,144
Property, plant and equipment	22	1,011,809	912,790
		117,461,759	105,868,542
STOCKHOLDERS' EQUITY			
Share capital	24	365,847	365,847
Share premium		13,775	13,775
Investment revaluation reserve		926,455	1,225,539
Retained earnings reserve	25	8,222,323	-
Retained earnings		3,462,731	10,689,485
		12,991,131	12,294,646
LIABILITIES			
Securities sold under agreements to repurchase	27	98,938,664	88,012,547
Notes payable	28	-	74,128
Redeemable preference shares	24	2,759,346	2,924,994
Deferred income tax liabilities	23	752,393	1,157,747
Interest payable		869,529	852,686
Income tax payable		791,637	322,457
Other payables		359,059	229,337
		104,470,628	93,573,896
		117,461,759	105,868,542

Approved for issue by the Board of Directors on 30 May 2012 and signed on its behalf by:

Noel A. Lyon Chairman

Keith P. Duncan Group Chief Executive Officer

The notes on pages 123 to 186 are an integral part of these financial statements

FINANCIAL STATEMENTS

Jamaica Money Market Brokers Limited

Statement of Changes in Stockholders' Equity

Year ended 31 March 2012

(expressed in Jamaican dollars unless otherwise indicated)

	Note	Share Capital $'000	Share Premium $'000	Investment Revaluation Reserve $'000	Retained Earnings Reserve $'000	Retained Earnings $'000	Total $'000
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							
Unrealised gains on available-for-sale investments		-	-	1,633,187	-	-	1,633,187
Total comprehensive income for 2011		-	-	1,633,187	-	1,229,501	2,862,688
Dividends	11	-	-	-	-	(204,874)	(204,874)
Balances at 31 March 2011		**365,847**	**13,775**	**1,225,539**	**-**	**10,689,485**	**12,294,646**
Profit for year		-	-	-	-	1,434,585	1,434,585
Other comprehensive income for 2012							
Unrealised gains on available-for-sale investments		-	-	(299,084)	-	-	(299,084)
Total comprehensive income for 2012		-	-	(299,084)	-	1,434,585	1,135,501
Transfer from retained earnings				-	8,222,323	(8,222,323)	-
Dividends	11	-	-	-	-	(439,016)	(439,016)
Balances at 31 March 2012		**365,847**	**13,775**	**926,455**	**8,222,323**	**3,462,731**	**12,991,131**

The notes on pages 123 to 186 are an integral part of these financial statements

Jamaica Money Market Brokers Limited
Statement of Cash Flows
Year ended 31 March 2012
(expressed in Jamaican dollars unless otherwise indicated)

	Note	2012 $'000	2011 $'000
Cash Flows from Operating Activities			
Profit for the year		1,434,585	1,229,501
Adjustments for:			
Interest income	5	(7,815,843)	(8,098,778)
Interest expense	5	4,681,174	5,684,072
Income tax charge	9	535,802	359,359
Provision for credit losses		111,842	108,452
Impairment loss on financial assets		-	28,242
Amortisation of intangible assets	21	23,500	22,162
Depreciation of property, plant and equipment	22	80,003	80,528
Gains on disposal of property, plant and equipment		(870)	(984)
Foreign currency translation (gains)/losses		(81,748)	432,986
		(1,031,555)	(154,460)
Changes in operating assets and liabilities -			
Income tax recoverable, net		(506,346)	(548,259)
Notes receivable		(474,362)	48,490
Other receivables		45,039	(54,067)
Other payables		129,722	(16,544)
Securities purchased under agreements to resell		47,896	1,752,787
Securities sold under agreements to repurchase		10,926,117	(3,751,148)
		9,136,511	(2,723,201)
Interest received		7,694,616	9,089,381
Interest paid		(4,664,331)	(6,240,476)
Net cash provided by operating activities (Page 15)		12,166,796	125,704

The notes on pages 123 to 186 are an integral part of these financial statements

Jamaica Money Market Brokers Limited

Statement of Cash Flows (Continued)

Year ended 31 March 2012

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2012 $'000	2011 $'000
Cash Flows from Operating Activities (Page 14)		12,166,796	125,704
Cash Flows from Investing Activities			
Investment securities, net		(10,593,989)	7,870,607
Interest in subsidiary		(10,000)	8,000
Purchase of computer software	21	(21,355)	(18,317)
Purchase of property, plant and equipment	22	(185,475)	(104,940)
Proceeds from disposal of property, plant and equipment		7,323	1,052
Net cash (used in)/provided by investing activities		(10,803,496)	7,756,402
Cash Flows from Financing Activities			
Proceeds from issue of preference shares		-	2,759,346
Repayment of redeemable preference shares		(165,648)	(2,524,437)
Notes payable		(74,128)	(486,982)
Loans payable		-	(7,043,932)
Dividends paid	11	(439,016)	(204,874)
Net cash used in financing activities		(678,792)	(7,500,879)
Effect of exchange rate changes on cash and cash equivalents		123,072	(89,024)
Net increase in cash and cash equivalents		807,580	292,203
Cash and cash equivalents at beginning of year		2,789,476	2,497,273
CASH AND CASH EQUIVALENTS AT END OF YEAR	12	3,597,056	2,789,476

The notes on pages 123 to 186 are an integral part of these financial statements

JMMB GROUP

Jamaica Money Market Brokers Limited
Notes to the Financial Statements
31 March 2012
(expressed in Jamaican dollars unless otherwise indicated)

1. Identification

Jamaica Money Market Brokers Limited (the "company") is incorporated and domiciled in Jamaica. The registered office of the company is located at 6 Haughton Terrace, Kingston 10, Jamaica. It has three subsidiaries incorporated in Jamaica, and there are other subsidiaries incorporated outside of Jamaica. The operating subsidiaries are listed below. The company and its subsidiaries are collectively referred to as "Group"; the Group has 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, securities trading, 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 subsidiary and associated companies	100		Trinidad and Tobago	Investment holding company
JMMB Investments (Trinidad and Tobago) Limited		100	Trinidad and Tobago	Securities brokering
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, SRL		100	Dominican Republic	Investment holding and management
JMMB Puesto de Bolsa,S.A.		80	Dominican Republic	Securities brokering
JMMB Real Estate Holdings Limited	100		Jamaica	Real estate 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 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 on the historical cost basis except for the revaluation of available-for-sale financial assets and financial assets at fair value through profit or loss, as well as investment properties.

Jamaica Money Market Brokers Limited

Notes to the Financial Statements
31 March 2012
(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(a) Basis of preparation (continued)

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.

New, revised and amended standards and interpretations that became effective during the year that are relevant to the Group's operations:

Certain new, revised and amended standards and interpretations came into effect during the financial year under review. They did not have any significant effect on the financial statements, and, based on the Group's current operations, none of them is expected to have any significant effect on the amounts and disclosures in the financial statements, except that the amendment to IFRS 7, *Financial Instruments: Disclosures*, led to some changes in the qualitative and quantitative disclosures relating to credit risk. The changes are reflected in note 30 to these financial statements:

(i) Disclosure of the amount of the Group's 'maximum exposure to credit risk without considering any collateral held' is now made only if the carrying amount of the financial asset does not already reflect such exposure.

(ii) Previously, the Group disclosed the existence and nature of collateral held as security and other credit enhancements in respect of a financial instrument. As required by the amendment, it now, in addition, discloses the financial effect of such collateral.

New, revised and amended standards and interpretations that were issued but not yet effective and have not been early adopted by the Group

Certain new, revised and amended standards and interpretations have been published and management considers that the following may be relevant to the Group's operations when they become effective:

- IAS 1, *Presentation of Financial Statements*, has been amended by the issue of a document entitled *Presentation of Items of Other Comprehensive Income*, effective for annual reporting periods beginning on or after July 1, 2012, to require a reporting entity to present separately the items of other comprehensive income (OCI) that may be reclassified to profit or loss in the future from those that would never be reclassified to profit or loss. Consequently an entity that presents items of OCI before related tax effects will also have to allocate the aggregated tax amount between these sections. The existing option to present the profit or loss and other comprehensive income in two statements has not changed. The title of the statement has changed from 'Statement of Comprehensive Income' to 'Statement of Profit or Loss and Other Comprehensive Income'. However, an entity is still allowed to use other titles.

- IAS 12, *Income Taxes,* has been amended, effective for annual reporting periods beginning on or after January 1, 2012, to require an entity to measure deferred taxes relating to an asset based on whether the entity expects to recover the carrying amount of the asset through use or sale.

Jamaica Money Market Brokers Limited
Notes to the Financial Statements
31 March 2012
(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(a) Basis of preparation (continued)

New, revised and amended standards and interpretations that were issued but not yet effective and have not been early adopted by the Group (continued)

- IFRS 9, *Financial Instruments*, which is effective for annual reporting periods beginning on or after January 1, 2015 (previously January 1, 2013), retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortised cost and fair value. It also includes guidance on classification and measurement of financial liabilities designated as at 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.

- IFRS7, *Financial Instruments: Disclosures*, has been amended by the issue of "Amendment to IFRS 7, *Disclosures – Transfer of Financial Assets"*, which is effective for annual reporting periods beginning on or after July 1, 2011. The amendment requires disclosure of information that enables users of financial statements to understand the relationship between transferred financial assets that are not derecognised in their entirety and the associated liabilities and to evaluate the nature of and risks associated with the entity's continuing involvement in these derecognised assets.

- IFRS 10 *Consolidated Financial Statements* which is effective for annual reporting periods beginning on or after 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).

- IFRS 11 *Joint Arrangements* and IAS 28 *Investments in Associates and Joint Ventures* (2011), which is effective for annual reporting periods beginning on or after 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.

Jamaica Money Market Brokers Limited
Notes to the Financial Statements
31 March 2012
(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(a) Basis of preparation (continued)

New, revised and amended standards and interpretations that were issued but not yet effective and have not been early adopted by the Group (continued)

- IFRS 12 *Disclosure of Interest in Other Entities* which is effective for annual reporting periods beginning on or after 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.

- IFRS 13 *Fair Value Measurement* which is effective for annual reporting periods beginning on or after January 1, 2013, 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 Group is assessing the impact, if any, that these new, revised and amended standards and interpretations will have on the financial statements when they become effective.

(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 ceases. 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.

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Notes to the Financial Statements
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2. Summary of Significant Accounting Policies (Continued)

(b) Basis of consolidation (continued)

(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.

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.

Jamaica Money Market Brokers Limited

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2. Summary of Significant Accounting Policies (Continued)

(c) Financial instruments

Financial Instrument	Method
Cash and cash equivalents, other receivables, resale agreements, accounts payable, repurchase agreements, Bank of Jamaica certificates of deposits:	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	
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.

JMMB GROUP

Jamaica Money Market Brokers Limited

Notes to the Financial Statements
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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.

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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 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.

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2. Summary of Significant Accounting Policies (Continued)

(e) Intangible assets (continued)

(iii) Customer list

Acquired customer lists are measured initially at historical cost. Customer lists have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost over the expected retention period with the Group which approximates 15 years.

(f) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group 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 company'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. At the date of the statement of financial position, monetary assets and liabilities denominated in foreign currencies are translated using the closing exchange rate.

Exchange differences resulting from the settlement of transactions at rates different from those at the dates of the transactions, and unrealised foreign exchange differences on unsettled foreign currency monetary assets and liabilities are recognised in the profit or loss.

Exchange differences on non-monetary financial assets are a component of the change in their fair value. Depending on the classification of a non-monetary financial asset, exchange differences are either recognised in the profit or loss (applicable for trading securities), or within other comprehensive income if non-monetary financial assets are classified as available-for-sale. In the case of changes in the fair value of monetary assets denominated in foreign currency classified as available-for-sale, a distinction is made between translation differences resulting from changes in 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 the profit or loss, and other changes in the carrying amount, except impairment, are recognised in other comprehensive income.

(iii) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement;
- Income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- All resulting exchange differences are recognised in other comprehensive income and accumulated as a separate component of 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.

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2. Summary of Significant Accounting Policies (Continued)

(g) Share capital (continued)
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.

(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 other comprehensive income.

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

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

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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-employments benefits such as pensions; and other long-term employee benefits such as termination benefits.

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

Pensions are the Group's only post-employment benefit. Pension fund costs included in 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.

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2. Summary of Significant Accounting Policies (Continued)

(m) Operating leases
Payments made under operating leases are recognised in 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) Fee and commission income
Fee 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 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.

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

It is possible that outcomes within the next financial year that are different from these assumptions could require a material adjustment to the carrying 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 or loss, the Group has determined that they have met the criteria for this designation set out in accounting policy 2(c)(ii).

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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 2012				
	Jamaica	St. Lucia	Other	Eliminations	Group
	$'000	$'000	$'000	$'000	$'000
External revenues	9,124,312	2,540,290	-	-	11,664,602
Inter-segment revenue	464,767	-	-	(464,767)	-
Total segment revenue	9,589,079	2,540,290	-	(464,767)	11,664,602
Segment results	2,075,370	709,065	(676)	-	2,783,759
Share of associated company profit					30,258
Profit before tax					2,814,017
Income tax expense					(573,561)
Profit for the year					2,240,456
Total segment assets	118,770,256	22,612,403	751,123	(17,397,228)	124,736,554
Total segment liabilities	105,563,585	24,486,178	624,328	(16,809,668)	113,864,423
Interest income	7,215,778	1,949,807	-	-	9,165,585
Operating expenses	2,944,655	268,675	1,373	-	3,214,703
Depreciation and amortisation	103,503	9,202	-	-	112,705
Capital expenditure	206,830	39,095	-	-	245,925

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4. Segment Reporting (Continued)

	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	7,124,236	1,689,684	-	-	8,813,920
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

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5. Net Interest Income

	The Group		The Company	
	2012	2011	2012	2011
	$'000	$'000	$'000	$'000
Interest income				
Cash and cash equivalents	13,352	13,283	12,668	13,283
Loans and notes receivable	344,946	458,449	333,810	421,597
Resale agreements	629,484	690,334	628,613	690,334
Investment securities	8,177,803	7,651,854	6,840,752	6,973,564
Total interest income	9,165,585	8,813,920	7,815,843	8,098,778
Interest expense				
Repurchase agreements	5,326,780	5,885,900	4,414,048	5,275,731
Notes payable	38,668	21,037	6,337	21,037
Loans payable	-	75,090	-	74,453
Redeemable preference shares	260,789	312,851	260,789	312,851
Total interest expense	5,626,237	6,294,878	4,681,174	5,684,072
Net interest income	3,539,348	2,519,042	3,134,669	2,414,706
Total interest income on financial assets not at fair value through profit or loss	9,165,585	8,813,920	7,815,843	8,098,778

6. Staff Costs

	The Group		The Company	
	2012	2011	2012	2011
	$'000	$'000	$'000	$'000
Salaries and benefits, including profit-related pay	1,445,609	1,046,924	1,276,402	920,155
Statutory payroll contributions	106,580	83,453	101,206	77,570
Pension costs	40,974	34,419	36,211	33,328
Training and development	33,783	27,683	24,740	23,176
Staff welfare	97,187	66,586	95,824	65,801
	1,724,133	1,259,065	1,534,383	1,120,030

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Jamaica Money Market Brokers Limited

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7. Impairment Loss on Financial Assets

The impairment charge was for a provision on certain of the Group's investments 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	
	2012 $'000	2011 $'000	2012 $'000	2011 $'000
Depreciation and amortisation	112,705	109,569	103,503	102,690
Directors' emoluments-				
Fees	32,319	31,513	28,670	25,895
Management remuneration	38,548	32,824	38,548	32,824
Auditors' remuneration	19,100	18,100	10,400	9,600
Bad debts, less recoveries	156,926	108,452	111,842	108,452
Net gains on financial assets classified as fair value through profit or loss	-	3,986	-	2,145

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9. Taxation

(a) Income tax is computed on the profit for the year adjusted for tax purposes. The charge for taxation comprises taxation based on assets at 1% and income tax at 33⅓%, as follows:

	The Group		The Company	
	2012	**2011**	**2012**	**2011**
	$'000	**$'000**	**$'000**	**$'000**
1% of assets	2,567	22	-	-
Current income tax	810,600	322,457	791,637	322,457
Deferred income tax (Note 23)	(239,606)	44,226	(255,835)	36,902
	573,561	366,705	535,802	359,359

(b) The tax on profit differs from the theoretical amount that would arise using the statutory rate of 33⅓% as follows:

	The Group		The Company	
	2012	**2011**	**2012**	**2011**
	$'000	**$'000**	**$'000**	**$'000**
Profit before taxation	2,814,017	1,509,635	1,970,387	1,588,860
Tax calculated at 33⅓%	938,006	503,212	656,796	529,620
Adjusted for the effects of:				
Income not subject to tax	(156,690)	(191,633)	(156,690)	(191,633)
Disallowed expenses	33,782	114	33,775	-
Effect of lower tax rate on associated company share of profits	(9,861)	(4,803)	-	-
Tax losses not recognised	(4,518)	-	-	-
Effect of taxation under different tax regime	(229,079)	-	-	-
Adjustment to prior year estimate	1,921	59,815	1,921	21,372
	573,561	366,705	535,802	359,359

(c) At the reporting date, taxation losses, subject to agreement with the relevant Tax Authorities, are available for set off against future taxable profits, amounted to approximately $2,910,678,000 (2011: $3,076,919,000) for the Group and $Nil (2011: $Nil) 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 $2,216,808,000 (2011: $1,116,272,000) by the number of ordinary stock units in issue during the year, numbering 1,463,386,752 (2011: 1,463,386,752).

11. Dividends

	The Group and The Company	
	2012	2011
	$'000	$'000
Final dividend in respect of 2011 @ 10.0 cents (2010: 6.0) cents per stock	146,339	87,803
Interim dividend in respect of 2012 @ 12.0 cents (2011: 8.0) cents per stock	175,606	117,071
Special dividend in respect of 2012 @ 8.0 cents	117,071	-
	439,016	204,874

12. Cash and Cash Equivalents

	The Group		The Company	
	2012	2011	2012	2011
	$'000	$'000	$'000	$'000
Cash	3,815,420	2,545,598	3,255,342	2,018,017
Cash equivalents	341,814	771,459	341,714	771,459
	4,157,234	3,317,057	3,597,056	2,789,476

Cash equivalents of the Group and company include $341,714,000 (2011: $322,635,000) 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 $7,425,412 (2011: $7,295,958) deposited at an interest rate of 2.5% (2011: 4%) 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	
	2012	2011	2012	2011
	$'000	$'000	$'000	$'000
J$ Promissory notes 0-25% (2011: 0-25%)	2,898,041	2,603,567	2,898,041	2,603,567
US$ Promissory notes and debentures 7:00% - 11.50% (2011: 7:00% - 11.50%)	597,225	729,229	416,426	378,060
GBP Promissory notes and debentures 7% - 10.00% (2010: 8:00% - 10:00%)	354	645	354	645
TT$ Promissory notes 14% (2011: 14%)	-	260,915	-	-
	3,495,620	3,594,356	3,314,821	2,982,272
Less: provision for impairment	(119,993)	(148,556)	(36,551)	(66,522)
	3,375,627	3,445,800	3,278,270	2,915,750

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13. Loans and Notes Receivable (Continued)

Provision for impairment

	The Group		The Company	
	2012 $'000	2011 $'000	2012 $'000	2011 $'000
Balance at 1 April	148,556	19,276	66,522	19,276
Charge for year	81,084	140,305	36,000	58,271
Recoveries/write-off	(109,647)	(11,025)	(65,971)	(11,025)
Balance at 31 March	119,993	148,556	36,551	66,522

Notes receivable include an interest-free revolving advance of $394,036,605 (2011: $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	
	2012 $'000	2011 $'000	2012 $'000	2011 $'000
Receivables from related parties	-	-	1,083,942	864,475
Other receivables	1,421,705	2,759,926	1,042,011	1,328,994
Due from managed fund	61,895	277,012	52,397	277,012
Staff loans	175,965	145,534	175,965	145,534
	1,659,565	3,182,472	2,354,315	2,616,015
Less: provision for impairment	(825,819)	(1,042,480)	(825,819)	(1,042,480)
	833,746	2,139,992	1,528,496	1,573,535

Provision for impairment

	The Group		The Company	
	2012 $'000	2011 $'000	2012 $'000	2011 $'000
Balance at 1 April	1,042,480	991,445	1,042,480	992,299
Charge for year	75,842	51,035	75,842	50,181
Recoveries/write-off	(292,503)	-	(292,503)	-
Balance at 31 March	825,819	1,042,480	825,819	1,042,480

Other receivables of the Group and the company include the balance of Nil (2011: $3,972,000) on an interest free loan to the Group's ESOP. The number of shares held by the ESOP at 31 March 2012 was 171,336,702 (2011: 180,027,557).

JMMB GROUP

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15. Securities Purchased Under Agreements to Resell

	The Group		The Company	
	2012 $'000	2011 $'000	2012 $'000	2011 $'000
Denominated in Jamaica dollars	126,050	505,273	-	504,809
Denominated in United States dollars	2,427,689	173,961	15,142,308	14,695,233
Denominated in Euro	-	-	649,608	1,086,620
Denominated in Dominican Republic Pesos	-	-	666,300	219,450
	2,553,739	679,234	16,458,216	16,506,112

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 27).

At the reporting date, the fair value of the securities obtained and held under resale agreements was $2,885,611,000 (2011: $916,290,000) and $16,983,846,000 (2011: $16,729,510,000) for the Group and company respectively.

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16. Investments

	The Group		The Company	
	2012 $'000	2011 $'000	2012 $'000	2011 $'000
Loans and receivables				
Certificates of deposit	6,797,628	2,785,189	6,730,645	2,750,000
Government of Jamaica securities	19,940,999	24,493,860	14,978,302	18,535,292
Sovereign	268,500	256,626	268,500	256,626
Corporate				
Government of Jamaica guaranteed	8,536,912	9,464,868	4,688,500	5,506,867
Other	407,101	1,858,000	4,252	1,445,585
	35,951,140	38,858,543	26,670,199	28,494,370
Available-for-sale securities:				
Government of Jamaica securities	52,641,331	47,994,759	52,641,331	47,994,759
Corporate bonds	11,902,243	4,210,520	7,772,202	148,050
Sovereign bonds	7,185,031	6,381,184	118,862	143,082
Quoted securities	221,432	471,424	139,256	376,400
Units in unit trusts	47,749	180,209	47,749	180,209
Money Market Funds	220,529	169,196	220,529	169,196
Other	16,788	-	-	-
	72,235,103	59,407,292	60,939,929	49,011,696
	108,186,243	98,265,835	87,610,128	77,506,066
Less: provision for impairment losses	(32,442)	(32,442)	(32,442)	(32,442)
	108,153,801	98,233,393	87,577,686	77,473,624

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16. Investments (Continued)

Provision for impairment

	The Group		The Company	
	2012	**2011**	**2012**	**2011**
	$'000	**$'000**	**$'000**	**$'000**
Balance as 1 April	32,442	4,200	32,442	4,200
Charge for the year	-	28,242	-	28,242
Balance as 31 March	32,442	32,442	32,442	32,442

Investments mature, from the reporting date, as follows:

	The Group		The Company	
	2012	**2011**	**2012**	**2011**
	$'000	**$'000**	**$'000**	**$'000**
Government of Jamaica securities				
Within 3 months	-	836,673	-	836,673
From 3 months to 1 year	10,004,025	1,519,801	8,832,003	1,519,801
From 1 year to 5 years	22,172,595	29,002,533	21,628,943	27,212,751
Over 5 years	40,405,710	41,129,612	37,158,688	36,960,826
	72,582,330	72,488,619	67,619,634	66,530,051
Certificates of deposit				
Within 3 months	6,797,628	2,785,189	6,730,645	2,750,000
From 3 months to 1 year	-	-	-	-
	6,797,628	2,785,189	6,730,645	2,750,000
Sovereign bonds and corporate bonds:				
Within 3 months	733,486	231,326	-	-
From 3 months to 1 year	233,852	108,616	-	108,616
From 1 year to 5 years	7,329,936	10,377,666	1,521,189	3,171,009
Over 5 years	20,002,512	11,453,582	11,331,126	4,220,577
	28,299,786	22,171,190	12,852,315	7,500,202
Other [see (c) below]	474,057	788,395	375,092	693,371
	108,153,801	98,233,393	87,577,686	77,473,624

(a) Government of Jamaica securities and certain other bonds are pledged as security for repurchase agreements (Note 27) and notes payable (Note 28).

(b) Government of Jamaica securities having an aggregate face value of $275,000,000 (2011: $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	
	2012 $'000	2011 $'000
JMMB Securities Limited		
Shares, at cost – equity	26,050	26,050
– preference	79,000	79,000
	105,050	105,050
JMMB Insurance Brokers Limited		
Shares, at cost - equity	125,000	125,000
Loan	10,000	-
	135,000	125,000
Jamaica Money Marker Brokers (Trinidad and Tobago) Limited		
Shares, at cost – equity	-	-
Loan	336,765	336,765
	336,765	336,765
JMMB International Limited		
Shares, at cost – equity	500,000	500,000
JMMB Real Estate Holdings Limited		
Shares, at cost – equity	1	1
JMMB Holdings Limited		
Shares, at cost - equity	9	9
Loan	98,665	98,665
	98,674	98,674
	1,175,490	1,165,490

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19. Investment Properties

	The Group	
	2012	2011
	$'000	$'000
Balance at beginning of year	457,591	-
Transferred from fixed assets	-	48,688
Asset acquired at fair value	-	408,903
Balance at end of year	457,591	457,591

The properties are stated at fair market value, as appraised by professional, independent valuers. Investment properties generated revenue of $2,268,100 (2011: $536,000) and expenses of $1,486,359 (2011: $2,988,000) for the year.

20. Interest in Associated Companies

	The Group		The Company	
	2012	2011	2012	2011
	$'000	$'000	$'000	$'000
Shares, at cost	331,042	331,042	-	-
Share of post-acquisition profits	267,779	237,521	-	-
Share of investment revaluation reserve	(26,033)	(5,926)	-	-
Cumulative translation reserve	92,949	80,500	-	-
	665,737	643,137	-	-

The summarized financial information for the associates is as follows:

	The Group		The Company	
	2012	2011	2012	2011
	$'000	$'000	$'000	$'000
Assets	16,530,296	12,995,604	-	-
Liabilities	15,195,667	11,706,233	-	-
Revenue	912,225	828,587	-	-
Profit	60,503	46,063	-	-

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21. Intangible Assets

	Group			
	Customer List $'000	Computer Software $'000	Goodwill $'000	Total $'000
Cost				
At 31 March 2010	-	369,263	16,744	386,007
Additions	-	18,317	-	18,317
At 31 March 2011	-	387,580	16,744	404,324
Additions	10,456	21,355	-	31,811
At 31 March 2012	10,456	408,935	16,744	436,135
Accumulated Amortisation				
At 31 March 2010	-	302,495	-	302,495
Charge for the year	-	23,720	-	23,720
Adjustment	-	321	-	321
At 31 March 2011	-	326,536	-	326,536
Charge for the year	-	23,509	-	23,509
At 31 March 2012	-	350,045	-	350,045
Net Book Value				
31 March 2012	10,456	58,890	16,744	86,090
31 March 2011	-	61,044	16,744	77,788
31 March 2010	-	66,768	16,744	83,512

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21. Intangible Assets (Continued)

	Company	
	Computer Software $'000	Total $'000
Cost		
At 31 March 2010	342,924	342,924
Additions	18,317	18,317
At 31 March 2011	361,241	361,241
Additions	21,355	21,355
At 31 March 2012	382,596	382,596
Accumulated Amortisation		
At 31 March 2010	277,935	277,935
Charge for the year	22,162	22,162
At 31 March 2011	300,097	300,097
Charge for the year	23,500	23,500
At 31 March 2012	323,597	323,597
Net Book Value		
31 March 2012	58,999	58,999
31 March 2011	61,144	61,144
31 March 2010	64,989	64,989

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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
				The Group		
Cost						
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
Additions	48,911	18,183	11,865	95,674	39,485	214,118
Disposals	(7,288)	-	(7,543)	-	-	(14,831)
At 31 March 2012	860,163	112,735	38,903	405,773	330,357	1,747,931
Accumulated Depreciation						
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
Charge for the year	13,650	7,426	6,654	35,746	25,720	89,196
Disposals	(835)	-	(298)	-	-	(1,133)
Adjustment	-	(2)	(12)	(202)	(81)	(297)
At 31 March 2012	72,159	77,271	19,324	303,705	172,524	644,983
Net Book Value						
At 31 March 2012	788,004	35,464	19,579	102,068	157,833	1,102,948
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

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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 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
Additions	48,911	3,598	2,020	93,195	37,751	185,475
Disposals	(7,288)	-	-	-	-	(7,288)
At 31 March 2012	804,707	77,456	32,606	398,702	312,459	1,625,930
Accumulated Depreciation						
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
Charge for the year	12,264	2,725	6,070	34,545	24,399	80,003
Disposals	(835)	-	-	-	-	(835)
At 31 March 2012	70,773	72,315	18,276	288,443	164,314	614,121
Net Book Value						
At 31 March 2012	733,934	5,141	14,330	110,259	148,145	1,011,809
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

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 a 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 33⅓% as deferred tax is currently applicable only to the jurisdiction that apply this rate.

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

	The Group		The Company	
	2012	2011	2012	2011
	$'000	$'000	$'000	$'000
Deferred income tax assets	2,617	18,300	-	-
Deferred income tax liabilities	(752,393)	(1,157,747)	(752,393)	(1,157,747)
Net deferred income tax liabilities	(749,776)	(1,139,447)	(752,393)	(1,157,747)

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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	
	2012	2011	2012	2011
	$'000	$'000	$'000	$'000
Balance at beginning of year liabilities	(1,139,447)	(252,752)	(1,157,747)	(278,902)
Charged to profit or loss (Note 9)	239,606	(44,226)	255,835	(36,902)
Charged to other comprehensive income	150,065	(842,469)	149,519	(841,943)
Balance at end of year liabilities	(749,776)	(1,139,447)	(752,393)	(1,157,747)

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

	The Group		The Company	
	2012	2011	2012	2011
	$'000	$'000	$'000	$'000
Deferred income tax assets -				
Investments	451,637	1,887	448,178	-
Other payables	5,295	1,568	5,280	1,552
Accounts receivable	226,682	-	226,682	-
Unrealised foreign exchange losses	-	453	-	-
Interest payable	289,814	284,200	289,814	284,200
Tax losses carried forward	-	16,810	-	-
	973,428	304,918	969,954	285,752
Deferred income tax liabilities -				
Investments	463,158	34,749	463,158	34,223
Unrealised foreign exchange gains	802,104	1,028,712	801,586	1,028,712
Property, plant and equipment	30,004	4,007	30,017	3,940
Interest receivable	427,938	376,897	427,586	376,624
	1,723,204	1,444,365	1,722,347	1,443,499
Net deferred income tax liabilities	(749,776)	(1,139,447)	(752,393)	(1,157,747)

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24. Share Capital

	2012 Number of Shares 000	2011 Number of Shares 000
Authorised:		
Ordinary stock units of no par value	1,816,400	1,566,400
12.15% cumulative redeemable preference shares of no par value	-	47,328
8.75% cumulative redeemable preference shares of no par value	889,073	889,073
8.5% cumulative redeemable preference shares of no par value	26,322	26,322
	2,731,795	2,529,123

	2012 $'000	2011 $'000
Stated capital:		
1,463,386,752 (2011: 1,463,386,752) ordinary stock units	365,847	365,847
47,328,000 (2011: 47,328,000)12.15% cumulative redeemable preference stock units	-	165,648
889,073,000 8.75% cumulative redeemable preference stock units	2,667,219	2,667,219
26,322,000 8.5% cumulative redeemable preference stock units	92,127	92,127
	3,125,193	3,290,841
Less redeemable preference stock units required by IFRS to be accounted for as liabilities in the financial statements	(2,759,346)	(2,924,994)
	365,847	365,847

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.

On 4 February 2012, the 12.15% cumulative redeemable preference stock units matured and were paid out in full.

On September 14, 2011, the authorized share capital of the company was increased from 1,566,400,000 ordinary shares to 1,816,400,000 ordinary shares by the addition thereto of 250,000,000 Ordinary Shares, to rank pari passu with the existing ordinary shares in the capital of the Company.

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24. Share Capital (Continued)

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. Retained Earnings Reserve

In accordance with a board resolution, the company transferred 7% of its total assets to non-distributable retained earnings reserve. This reserve constitutes a part of the company's capital base in determining the capital adequacy ratio.

26. 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.

27. Securities Sold Under Agreements to Repurchase

	The Group		The Company	
	2012 $'000	2011 $'000	2012 $'000	2011 $'000
Denominated in Jamaica dollars	42,512,545	40,642,839	42,745,182	40,803,644
Denominated in United States dollars	56,967,419	48,044,359	53,086,638	43,300,468
Denominated in Pound Sterling	2,130,199	1,758,820	2,130,199	1,758,820
Denominated in Euro	718,690	640,595	597,721	1,727,214
Denominated in Dominican Republic Peso	4,884,147	5,559,252	-	-
Denominated in Canadian dollars	378,924	422,401	378,924	422,401
	107,591,924	97,068,266	98,938,664	88,012,547

Repurchase agreements are collateralized by certain securities and other instruments held by the Group and the company with a carrying value of $111,578,994,000 (2011: $101,792,221,000) and $105,348,219,000 (2011: $92,736,502,000), 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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28. Notes Payable

	The Group		The Company	
	2012	**2011**	**2012**	**2011**
	$'000	**$'000**	**$'000**	**$'000**
(i) 8.25% US$ 12,500,000 promissory note	-	74,128	-	74,128
(ii) 12.00% TT$14,000,000 promissory note	-	87,010	-	-
(iii) 7% US$4,068,000 promissory note	354,323	348,336	-	-
(iv) 6.75% US$1,336,000 promissory note	116,365	114,399	-	-
	470,688	623,873	-	74,128

(i) This note is unsecured and the entire amount was repaid 30 June 2011.

(ii) This note is unsecured and the entire amount was repaid 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.

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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	
	2012	**2011**	**2012**	**2011**
	$'000	**$'000**	**$'000**	**$'000**
Directors-				
Notes receivable	13,940	16,849	13,940	16,849
Interest payable	(679)	(776)	(679)	(776)
Repurchase agreements	(121,8261)	(136,421)	(121,826)	(136,421)
Major shareholders -				
Notes receivable	481,137	481,761	481,137	481,761
Interest payable	(625)	(1,564)	(625)	(1,564)
Repurchase agreements	(84,031)	(106,787)	(84,031)	(106,787)
Subsidiaries -				
Resale agreements	-	-	14,775,880	15,988,147
Interest receivable	-	-	10,993	5,205
Key management employees				
Loans receivable	22,853	20,855	22,853	20,855

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29. Related Party Transactions and Balances (Continued)

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

	The Group		The Company	
	2012	2011	2012	2011
	$'000	$'000	$'000	$'000
Directors-				
Interest income	2,346	3,242	2,346	3,242
Interest expense	(8,615)	(10,195)	(8,615)	(10,195)
Major Shareholders -				
Interest income	10,869	12,069	10,869	12,069
Interest expense	(3,789)	(2,178)	(3,789)	(2,178)
Subsidiaries -				
Interest income	-	-	611,585	978,880
Managed funds				
Gain on sale of securities	405,565	429,629	405,565	429,629

(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	
	2012	2011	2012	2011
	$'000	$'000	$'000	$'000
Short-term employee benefits including directors fees (Note 8)	200,051	132,968	190,469	125,713
Post-employment benefits	7,068	6,627	7,068	6,627
	207,119	139,595	197,537	132,340

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30. Financial Risk Management

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

(a) Introduction and overview

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

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

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

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

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

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

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

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30. Financial Risk Management (Continued)

(a) Introduction and overview (continued)

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

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

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

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

Credit review process

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

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30. Financial Risk Management (Continued)

(b) Credit risk (continued)

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

Group's internal rating scale:

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

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

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

(ii) Investments and resale agreements
The Group limits its exposure to credit risk by investing in liquid securities and 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.

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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.

Exposure to credit risk

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

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

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

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

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

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30. Financial Risk Management (Continued)

(b) Credit risk (continued)

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

The maximum credit exposure, that is, the amount of loss that would be suffered if every counter-party to the Group's financial assets were to default at once, is represented as follows:

(1) For financial assets recognised at the reporting date:

The carrying amount of financial assets shown on the statement of financial position.

(2) For financial assets not recognised at the reporting date:

	The Group		The Company	
	2012	2011	2012	2011
	$'000	$'000	$'000	$'000
Loan commitments	149,386	39,707	149,386	39,707
Guarantees and letters of credit	10,096	15,454	10,096	15,454
	159,482	55,161	159,482	55,161

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	
	2012	2011
	$'000	$'000
Loans and notes receivable	132,698	742,535

(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 loans and notes receivable was $207,777,000 (2011: $875,692,000).

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 $717,368,000 (2011: $699,368,000) for the Group and company.

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30. Financial Risk Management (Continued)

(b) Credit risk (continued)

(iv) During the year, the company renegotiated credit to the value of $Nil (2011: $31,740,000) and had repossessed collateral amounting to $Nil (2011: $6,250,000).

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

The Group

	2012				
	Cash and cash equivalents	**Loans and notes receivable**	**Resale agreements**	**Investments**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
Carrying amounts	4,157,234	3,375,627	2,553,739	108,153,801	118,240,401
Concentration by sector					
Government of Jamaica	-	-	-	72,894,859	72,894,859
Sovereign bonds	-	-	-	7,453,524	7,453,524
Bank of Jamaica	-	-	-	6,730,645	6,730,645
Corporate bonds	-	775,445	-	20,908,826	21,684,271
Financial institutions	4,157,234	-	2,553,739	165,947	6,876,920
Retail	-	2,600,182	-	-	2,600,182
	4,157,234	3,375,627	2,553,739	108,153,801	118,240,401
Concentration by location					
Jamaica	1,198,936	3,375,627	2,553,739	96,431,568	103,559,870
North America	2,491,834	-	-	1,559,090	4,050,924
Trinidad	215,291	-	-	54,890	270,181
Other	251,173	-	-	10,108,253	10,359,426
	4,157,234	3,375,627	2,553,739	108,153,801	118,240,401

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30. Financial Risk Management (Continued)

(b) Credit risk (continued)

The Group

	2011				
	Cash and cash equivalents	Loans and notes receivable	Resale agreements	Investments	Total
	$'000	$'000	$'000	$'000	$'000
Carrying amounts	3,317,057	3,445,800	679,234	98,233,393	105,675,484
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 bonds	-	695,580	77,809	148,050	921,439
Financial institutions	3,317,057	-	601,425	7,756,439	11,674,921
Retail	-	2,750,220	-	-	2,750,220
	3,317,057	3,445,800	679,234	98,233,393	105,675,484
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	161,498	-	-	6,414,775	6,576,273
	3,317,057	3,445,800	679,234	98,233,393	105,675,484

The Company

	2012				
	Cash and cash equivalents	Loans and notes receivable	Resale agreements	Investments	Total
	$'000	$'000	$'000	$'000	$'000
Carrying amounts	3,597,056	3,278,270	16,458,216	87,577,686	110,911,228
Concentration by sector					
Government of Jamaica	-	-	-	67,994,725	67,994,725
Sovereign bonds	-	-	-	387,362	387,362
Bank of Jamaica	-	-	-	6,730,645	6,730,645
Corporate	-	702,112	-	12,464,954	13,167,066
Financial institutions	3,597,056	-	16,458,216	-	20,055,272
Retail	-	2,576,158	-	-	2,576,158
	3,597,056	3,278,270	16,458,216	87,577,686	110,911,228
Concentration by location					
Jamaica	975,971	3,278,270	16,458,216	87,135,434	107,847,891
North America	2,488,293	-	-	-	2,488,293
Trinidad	132,792	-	-	54,890	187,682
Other	-	-	-	387,362	387,362
	3,597,056	3,278,270	16,458,216	87,577,686	110,911,228

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30. Financial Risk Management (Continued)

(b) Credit risk (continued)

The Company

	2011				
	Cash and cash equivalents	Loans and notes receivable	Resale agreements	Investments	Total
	$'000	$'000	$'000	$'000	$'000
Carrying amounts	2,789,476	2,915,750	16,506,112	77,473,624	99,684,962
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 bonds	-	-	77,809	7,100,502	7,178,311
Financial institutions	2,789,476	-	16,428,303	693,363	19,911,142
Retail	-	2,915,750	-	-	2,915,750
	2,789,476	2,915,750	16,506,112	77,473,624	99,684,962
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	-	-	-	1,841,153	1,841,153
	2,789,476	2,915,750	16,506,112	77,473,624	99,684,962

Collateral and other credit enhancements held against financial assets

The Group holds collateral against loans and advances to customers and others in the form of mortgage interests over property, other registered securities over other assets, and guarantees. Estimates of fair value are based on the value of collateral assessed at the time of borrowing, and generally are not updated except when a loan is individually assessed as impaired. Collateral generally is not held over balances with banks or broker/dealers, except when securities are held under resale agreements. Collateral is generally not held against investment securities, and no such collateral was held at the reporting date (2011: no collateral held).

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30. Financial Risk Management (Continued)

(b) Credit risk (continued)

An estimate, made at the time of borrowing, of the fair value of collateral and other security enhancements held against loans to borrowers and others is shown below:

	The Group				The Company			
	Loans and notes receivable		Resale agreements		Loans and notes receivable		Resale agreements	
	2012	2011	2012	2011	2012	2011	2012	2011
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Against neither past due nor impaired financial assets:								
Cash secured	1,690,396	1,513,148	-	-	1,690,396	1,513,148	-	-
Property	2,605,340	2,832,155	-	-	2,530,340	2,806,655	-	-
Debt securities	431,516	324,200	2,885,611	916,290	431,516	324,200	16,983,846	16,729,510
Liens on motor vehicles	717,762	357,014	-	-	717,762	357,014	-	-
Subtotal	**5,445,014**	**5,026,517**	**2,885,611**	**916,290**	**5,370,014**	**5,001,017**	**16,983,846**	**16,729,510**
Against past due but not impaired financial assets:								
Property	322,700	187,287	-	-	304,700	187,287	-	-
Debt securities	-	335	-	-	-	335	-	-
Liens on motor vehicles	49,040	97,611	-	-	49,040	97,611	-	-
Subtotal	**371,740**	**285,233**	**-**	**-**	**353,740**	**285,233**	**-**	**-**
Against past due and impaired financial assets:								
Property	189,250	826,841	-	-	93,550	391,261	-	-
Liens on motor vehicles	88,627	142,584	-	-	88,627	142,584	-	-
Subtotal	**277,877**	**969,425**	**-**	**-**	**182,177**	**533,845**	**-**	**-**
Total	**6,094,631**	**6,281,175**	**2,885,611**	**916,290**	**5,905,931**	**5,820,095**	**16,983,846**	**16,729,510**

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30. Financial Risk Management (Continued)

(c) Liquidity risk

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

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

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

Liquidity risk management process

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

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

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

(iii) Optimising cash returns on investments;

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

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

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

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30. Financial Risk Management (Continued)

(c) Liquidity risk (continued)

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

	2012				
	The Group				
	Within 3 Months	3 to 12 Months	1 to 5 Years	Contractual Cash Flow	Carrying Amount
	$'000	$'000	$'000	$'000	$'000
Financial Liabilities					
Notes payable	-	120,347	366,690	487,037	470,688
Securities sold under agreements to repurchase	83,373,110	24,664,908	1,583,584	109,621,602	107,591,924
Redeemable preference shares	-	-	2,778,511	2,778,511	2,759,346
Payables	546,788	-	-	546,788	546,788
	83,919,898	24,785,255	4,728,785	113,433,938	111,368,746

	2011				
	The Group				
	Within 3 Months	3 to 12 Months	1 to 5 Years	Contractual Cash Flow	Carrying Amount
	$'000	$'000	$'000	$'000	$'000
Financial Liabilities					
Notes payable	168,154	478,975	-	647,129	623,873
Securities sold under agreements to repurchase	72,600,088	26,507,803	1,176	99,109,067	97,068,266
Redeemable preference shares	-	-	2,950,333	2,950,333	2,924,994
Payables	596,897	-	-	596,897	596,897
	73,365,139	26,986,778	2,951,509	103,303,426	101,214,030

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30. Financial Risk Management (Continued)

(c) Liquidity risk (continued)

	2012				
	The Company				
	Within 3 Months	3 to 12 Months	1 to 5 Years	Contractual Cash Flow	Carrying Amount
	$'000	$'000	$'000	$'000	$'000
Financial Liabilities					
Securities sold under agreements to repurchase	75,821,454	23,345,571	1,583,584	100,750,609	98,938,664
Redeemable preference shares	-	-	2,778,511	2,778,511	2,759,346
Payables	359,059	-	-	359,059	359,059
	76,180,513	23,345,571	4,362,095	103,888,179	102,057,069

	2011				
	The Company				
	Within 3 Months	3 to 12 Months	1 to 5 Years	Contractual Cash Flow	Carrying Amount
	$'000	$'000	$'000	$'000	$'000
Financial Liabilities					
Notes payable	74,616	-	-	74,616	74,128
Securities sold under agreements to repurchase	65,379,792	24,405,015	1,175	89,785,982	88,012,547
Redeemable preference shares	-	-	2,950,333	2,950,333	2,924,994
Payables	229,337	-	-	229,337	229,337
	65,683,745	24,405,015	2,951,508	93,040,268	91,241,006

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30. Financial Risk Management (Continued)

(d) Market risk

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

The overall responsibility for market risk management is vested in the Board Risk Management Committee. The Risk Department is responsible for the development of detailed risk management policies (subject to review and approval by the Board Risk Management Committee) and for the day-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 is 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 positions during the trading day;
- The use of historical data to determine the relationships between different market prices may not cover all possible scenarios, as these relationships may break down in times of market stress;
- The VaR Measure is dependent on the Group's positions and volatility of market prices. The VaR of an unchanged position reduces if the market 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 2012 and during the year then ended is as follows:

	31 March	Average for Year	Maximum during Year	Minimum during Year
	$'000	$'000	$'000	$'000
2012 Overall VaR	880,268	1,168,781	1,897,665	492,924
2011 Overall VaR	1,303,612	1,461,375	2,691,693	938,179

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.

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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	
	2012	2011	2012	2011	2012	2011
	$'000	$'000	$'000	$'000		
United States dollars	2,696,597	4,952,772	2,696,597	4,952,772	87.10	85.63
Great Britain pounds	64,236	71,796	64,236	71,796	137.69	137.45
Euros	100,871	(14,049)	(380,642)	(5,355)	115.67	120.71
Trinidad and Tobago dollars	187,682	237,133	187,682	55,254	13.58	13.33
Canadian dollars	(18,304)	(40,295)	(18,304)	(40,295)	87.11	87.20
Peso	-	-	673,688	220,370	2.23	2.26

Foreign currency sensitivity

The following tables indicate the currencies to which the Group and company had significant exposure on their monetary assets and liabilities and their forecast cash flows. The change in currency rates below represents management's assessment of the possible change in foreign exchange rates:

	The Group			
	Change in Currency Rate	Effect on Profit	Change in Currency Rate	Effect on Profit
	2012 %	2012 $'000	2011 %	2011 $'000
Currency:				
USD	1	26,966	1	49,528
GBP	1	642	1	718
EUR	1	1,009	1	(140)
PESO	1	-	1	-
CAD	1	(183)	1	(403)
TT$	1	1,877	1	2,371
		30,311		52,074

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30. Financial Risk Management (Continued)

(d) Market risk (continued)

(i) Currency risk (continued)

Foreign currency sensitivity (continued)

	The Company			
	Change in Currency Rate	**Effect on Profit**	**Change in Currency Rate**	**Effect on Profit**
	2012 %	**2012 $'000**	**2011 %**	**2011 $'000**
Currency:				
USD	1	26,966	1	49,528
GBP	1	642	1	718
EUR	1	(3,806)	1	(54)
PESO	1	6,737	1	2,204
CAD	1	(183)	1	(403)
TT$	1	1,877	1	553
		32,233		52,546

(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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30. Financial Risk Management (Continued)

(d) Market risk (continued)

(ii) Interest rate risk (continued)

	The Group 2012				
	Within 3 Months	3 to 6 Months	6 to 12 Months	1 to 5 Years	Total
	$'000	$'000	$'000	$'000	$'000
At 31 March 2012:					
Assets					
Cash and cash equivalents	4,157,234	-	-	-	4,157,234
Loans and notes receivable	2,756,066	579,466	40,095	-	3,375,627
Securities purchased under agreements to resell	2,553,739	-	-	-	2,553,739
Investment securities	27,202,013	2,795,572	7,845,137	70,041,898	107,884,620
Total interest bearing assets	36,669,052	3,375,038	7,885,232	70,041,898	117,971,220
Liabilities					
Notes payable	116,366	354,322	-	-	470,688
Securities sold under agreements to repurchase	82,362,152	14,064,487	9,660,421	1,504,864	107,591,924
Redeemable preference shares	-	-	-	2,759,346	2,759,346
Total interest bearing liabilities	82,478,518	14,418,809	9,660,421	4,264,210	110,821,958
Total interest sensitivity gap	(45,809,466)	(11,043,771)	(1,775,189)	65,777,688	7,149,262
Cumulative interest sensitivity gap	(45,809,466)	(56,853,237)	(58,628,426)	7,149,262	

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30. Financial Risk Management (Continued)

(d) Market risk (continued)

(ii) Interest rate risk (continued)

	The Group 2011				
	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	61,208,445	97,581,760
Total interest bearing assets	10,926,025	2,505,621	30,383,760	61,208,445	105,023,851
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	58,282,351	4,406,718
Cumulative interest sensitivity gap	(60,689,748)	(75,188,336)	(53,875,633)	4,406,718	

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30. Financial Risk Management (Continued)

(d) Market risk (continued)

(ii) Interest rate risk (continued)

	The Company 2012				
	Within 3 Months $'000	3 to 6 Months $'000	6 to 12 Months $'000	1 to 5 Years $'000	Total $'000
At 31 March 2012:					
Assets					
Cash and cash equivalents	3,597,056	-	-	-	3,597,056
Loans and notes receivable	2,720,426	517,749	40,095	-	3,278,270
Securities purchased under agreements to resell	16,458,216	-	-	-	16,458,216
Investment securities	26,398,884	986,849	7,845,137	52,159,811	87,390,681
Total interest bearing assets	49,174,582	1,504,598	7,885,232	52,159,811	110,724,223
Liabilities					
Securities sold under agreements to repurchase	74,962,381	13,271,323	9,200,096	1,504,864	98,938,664
Redeemable preference shares	2,759,346	-	-	-	2,759,346
Total interest bearing liabilities	77,721,727	13,271,323	9,200,096	1,504,864	101,698,010
Total interest sensitivity gap	(28,547,145)	(11,766,725)	(1,314,864)	50,654,947	9,026,213
Cumulative interest sensitivity gap	(28,547,145)	(40,313,870)	(41,628,734)	9,026,213	

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31 March 2012

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30. Financial Risk Management (Continued)

(d) Market risk (continued)

(ii) Interest rate risk (continued)

	The Company 2011				
	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	40,624,794	76,917,015
Total interest bearing assets	26,008,118	2,111,681	30,383,760	40,624,794	99,128,353
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	37,698,700	8,116,684
Cumulative interest sensitivity gap	(38,623,224)	(51,892,030)	(29,582,016)	8,116,684	

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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 2011.

	The Group			
	Effect on Profit	Effect on Equity	Effect on Profit	Effect on Equity
	2012 $'000	2012 $'000	2011 $'000	2011 $'000
Change in basis points				
-200	(863,898)	3,953,290	(388,477)	2,289,505
200	863,898	(3,447,227)	388,477	(2,088,887)

	The Company			
	Effect on Profit	Effect on Equity	Effect on Profit	Effect on Equity
	2012 $'000	2012 $'000	2011 $'000	2011 $'000
Change in basis points				
-200	(392,778)	3,353,461	(336,157)	2,178,147
200	392,778	(2,916,058)	336,157	(1,987,085)

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

(ii) Equity price risk
Equity price risk arises on equity securities held by the Group as part of its investment portfolio. Management monitors the mix of debt and equity securities in its investment portfolio based on market expectations. The primarily goal of the Group's investment strategy is to maximize investment returns while managing risk so as to minimize potential adverse effects on the Group's financial performance.

The Group's equity securities are listed on the Jamaica and Trinidad and Tobago Stock 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 $203,849,000 (2011: $23,516,000) for the Group and $196,803,000 (2011: $9,262,000) for the company.

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30. Financial Risk Management (Continued)

(e) Operational risk

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

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

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

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

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

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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 Puesto de Bolsa, S.A.

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 2012 and 31 March 2011.

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30. Financial Risk Management (Continued)

(f) Capital management (continued)

	JMMB	JMMB	JMMBSL	JMMBSL	JMMBIB	JMMBIB
	2012 $'000	2011 $'000	2012 $'000	2011 $'000	2012 $'000	2011 $'000
Tier 1 capital	12,064,676	11,483,573	174	116	40,430	25,053
Tier 2 capital	1,655,608	2,207,477	24	24	-	-
Total regulatory capital	13,720,284	13,691,050	198	140	40,430	25,053
Risk-weighted assets:						
On-balance sheet	61,687,992	34,327,163	201	203	-	-
Foreign exchange exposure	1,692,776	4,714,764	147	18	-	-
Total risk-weighted assets	63,380,768	39,041,927	348	221	-	-
Total regulatory capital to risk weighted assets	22%	35%	57%	63%	-	-
Actual capital base to risk weighted assets	22%	40%	57%	63%	-	-
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 Puesto de Bolsa is RD$5 million plus other reserve which is 5% of liquid profits. The company has exceeded all capital requirements.

The individually regulated entities within the Group have complied with all externally imposed capital requirements throughout the year.

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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. These items are carried at fair value.

(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 statement of financial position at fair value at 31 March 2012, grouped into Levels 1, 2 and 3 based on the degree to which the fair value is observable:

(i) Level 1: Fair values are quoted prices (unadjusted) in active markets for identical instruments;

(ii) Level 2: Fair value measurements are those derived from valuation techniques based on inputs other than quoted market prices included within level 1, that are observable for the instrument, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

(iii) Level 3: Fair value measurements are those derived from valuation techniques using significant inputs for the instrument that are not based on observable market data (unobservable inputs).

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31. Fair Value of Financial Instruments (Continued)

	2012 The Group			
	Level 1	Level 2	Level 3	Total
	$'000	$'000	$'000	$'000
Available for sale securities				
Government of Jamaica securities	-	52,641,331	-	52,641,331
Corporate bonds	-	11,902,243	-	11,902,243
Sovereign bonds	-	7,185,031	-	7,185,031
Quoted securities	221,432	-	-	221,432
Units in unit trusts	-	47,749	-	47,749
Money market funds	-	220,529	-	220,529
Other	-	16,788	-	16,788
	221,432	72,013,671	-	72,235,103

	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
Corporate bonds	-	4,210,520	-	4,210,520
Sovereign bonds	-	6,381,184	-	6,381,184
Quoted securities	471,424	-	-	471,424
Units in unit trusts	-	180,209	-	180,209
Money market funds	-	169,196	-	169,196
	471,424	58,935,868	-	59,407,292

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31. Fair Value of Financial Instruments (Continued)

	2012 The Company			
	Level 1	Level 2	Level 3	Total
	$'000	$'000	$'000	$'000
Available-for-sale securities				
Government of Jamaica securities	-	52,641,331	-	52,641,331
Sovereign bonds	-	118,862	-	118,862
Corporate bonds	-	7,772,202	-	7,772,202
Quoted securities	139,256	-	-	139,256
Units in unit trusts	-	47,749	-	47,749
Money market funds	-	220,529	-	220,529
	139,256	60,800,673	-	60,939,929

	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 bonds	-	143,082	-	143,082
Corporate bonds	-	148,050	-	148,050
Quoted securities	376,400	-	-	376,400
Units in unit trusts	-	180,209	-	180,209
Money market funds	-	169,196	-	169,196
	372,200	48,635,296	-	49,011,696

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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 receivables 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 2012 $'000	Fair Value 2012 $'000	Carrying Value 2011 $'000	Fair Value 2011 $'000
Financial Assets				
Government of Jamaica securities	19,940,999	20,137,087	24,493,860	24,874,946
Sovereign bonds	268,500	179,740	256,626	182,636
Corporate and other bonds	8,944,013	9,503,976	11,322,868	11,687,737

	The Company			
	Carrying Value 2012 $'000	Fair Value 2012 $'000	Carrying Value 2011 $'000	Fair Value 2011 $'000
Financial Assets				
Government of Jamaica securities	14,978,302	15,085,923	18,535,292	18,713,011
Sovereign bonds	268,500	179,740	256,626	182,636
Corporate and other bonds	4,692,752	5,419,264	6,952,452	7,413,077

Fair value losses of $532,754,000 (2011: $619,287,000) and $293,945,000 (2011: $384,508,000) exclusive of deferred tax, for the Group and company, respectively, were recognized in equity in relation to the above investments that were reclassified.

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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 allocated to the members' accounts.

The contributions for the year amounted to $40,974,000 (2011: $34,419,000) for the Group and $36,211,000 (2011: $33,326,000) 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 2012, for the Group and the company, funds managed in this way amounted to $18,921,464,000 (2011: $17,378,565,000) which includes pension scheme contributions (Note 32), inclusive of accrued interest, amounting to $72,466,000 (2011: $75,887,815) 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	
	2012 $'000	2011 $'000	2012 $'000	2011 $'000
Investments	220,529	169,489	220,529	169,489
Interest payable	(701)	(379)	(701)	(379)
Securities sold under agreements to repurchase	(8,996,778)	(7,563,219)	(8,996,778)	(7,563,219)

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34. Lease Commitments

Commitments under non-cancellable operating lease agreements, expiring between 2012 and 2013, amounted to $23,244,000 at 31 March 2012 (2011: $20,360,000). The lease rentals are payable within one year.

35. Proposed Acquisition

On April 4, 2012, the Minister of Finance and Planning of the Government of Jamaica (GoJ) granted approval for JMMB to proceed to make a formal offer to the shareholders of the Capital and Credit Financial Group (CCFG) to acquire the shares of that entity and indicated his intention to grant final approval under section 21 of the Financial Institutions Act, subject to acceptance of the formal offer by CCFG shareholders and JMMB's satisfaction of certain pre-requisites.

The offer price is J$4.55 per share of which 70% is to be paid in cash, which amounts to a total payout of J$2.95 billion. The remaining 30% is in a share swap, paid for in the form of new JMMB shares being issued to the shareholders of Capital & Credit Financial Group.

JMMB GROUP

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Produced by RO Communications Jamaica, P.O. Box 2052, Kingston 8. Website: www.rocommunications.com