Jamaica Money Market Brokers Limited

Financial Statements
31 March 2012

KPMG
Chartered Accountants
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INDEPENDENT AUDITORS' REPORT

To the Members of
JAMAICA MONEY MARKET BROKERS LIMITED

Report on the Financial Statements

We have audited the 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 3 to 79, 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.

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 16 to 79 are an integral part of these financial statements

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 16 to 79 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

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

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**

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)

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 16 to 79 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 16 to 79 are an integral part of these 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 16 to 79 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 16 to 79 are an integral part of these 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	Share Premium	Investment Revaluation Reserve	Retained Earnings Reserve	Retained Earnings	Total
		$'000	$'000	$'000	$'000	$'000	$'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**

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 16 to 79 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 16 to 79 are an integral part of these financial statements

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.

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.

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.

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* defines fair value which is effective, 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. This standard is effective for annual reporting periods beginning on or after 1 January 2013.

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.

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.

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.

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.

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.

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.

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.

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.

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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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	**2011**	**2012**	**2011**
	$'000	**$'000**	**$'000**	**$'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	**2011**	**2012**	**2011**
	$'000	**$'000**	**$'000**	**$'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	**2011**	**2012**	**2011**
	$'000	**$'000**	**$'000**	**$'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).

15. Securities Purchased Under Agreements to Resell

	The Group		The Company	
	2012	**2011**	**2012**	**2011**
	$'000	**$'000**	**$'000**	**$'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	**2011**	**2012**	**2011**
	$'000	**$'000**	**$'000**	**$'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

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	-	-

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 $'000	Leasehold Improvement $'000	Motor Vehicles $'000	Computer Equipment $'000	Equipment, Furniture and Fittings $'000	Total $'000
				The Group		
Cost						
At 31 March 20010	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.

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 $'000	2011 $'000	2012 $'000	2011 $'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 $'000	2011 $'000	2012 $'000	2011 $'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

30. Financial Risk Management

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

(a) Introduction and overview

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

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

Risk management framework

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

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

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

(i) Risk Management Committee

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

(ii) Board Credit Committee

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

30. Financial Risk Management (Continued)

(a) Introduction and overview (continued)

(iii) Audit Committee

The Audit Committee monitors the quality of the Group's internal controls and compliance with regulatory requirements. The Audit Committee is assisted in its oversight role by the Internal Audit Function and the Risk Management and Compliance 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.

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**

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	1-5 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	1-5 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	1-5 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	1-5 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

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**	**2011**	**2011**
	%	**$'000**	**%**	**$'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	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	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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30. Financial Risk Management (Continued)

(d) Market risk (continued)

(ii) Interest rate risk (continued)

	The Company 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	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	**2012**	**2011**	**2011**
	$'000	**$'000**	**$'000**	**$'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	**2012**	**2011**	**2011**
	$'000	**$'000**	**$'000**	**$'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.

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.

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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(expressed in Jamaican dollars unless otherwise indicated)

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	2011	2012	2011
	$'000	$'000	$'000	$'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)

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.