

JMMB GROUP LIMITED

Nine Months Highlights

Nine-month period ended 31 December 2020

(Expressed in Jamaican dollars unless otherwise indicated)

DIRECTORS' STATEMENT

PERFORMANCE HIGHLIGHTS

Net Operating Revenue	J\$16.54 billion
Net Interest Income	J\$7.58 billion
Operating Profit	J\$5.14 billion
Net Profit	J\$4.02 billion
Earnings per Stock Unit	J\$1.97

The Directors are pleased to announce that the JMMB Group Limited posted a net profit of J\$4.02 billion and earnings per share of J\$1.97 for the nine months ended 31 December 2020.

GROUP CEO'S COMMENTARY

Pivoting in the Pandemic

JMMB Group (the Group) continues to perform credibly within the context of the COVID-19 pandemic having recorded quarter over quarter growth and profitability for the financial year thus far. The Group customized COVID strategy, which focused on the protection of client goals, business continuity and acutely managing capital, liquidity and expenses, has yielded success.

Our revenue diversification strategy remains successful, as our banking business line continues to show tremendous growth with loan portfolio and customer deposits year to date growth of 17% and 16% respectively.

We have recovered from the disruptions experienced in our online banking and core banking platforms which commenced in the second quarter. We have since then managed to achieve stability with our major IT systems and have put in place several client experience and systems monitoring mechanisms.

Outlook- Building on Strong Performance, Growth in the Future

With this strong year to date performance in place, the Group continues to be nimble in executing its response to the pandemic. We will continue to pursue growth opportunities across all our segments, as well as explore opportunities for inorganic growth. The final quarter of the financial year will thus see the Group undertaking several strategic initiatives to strengthen and innovate our digital access channels that will improve our clients' experience and produce efficiencies for the Group over the medium term.

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GROUP FINANCIAL PERFORMANCE

Net Operating Revenue

The JMMB Group posted net operating revenue of J\$16.54 billion for the nine months ended December 31, 2020. While this represented a 5% decline when compared to the prior period, the operating environment was markedly different given the pandemic. In the prior period, market sentiment was bullish and we successfully identified and capitalized on trading activities. Nevertheless, our clients continued to demonstrate confidence in the value of products and services which was evidenced by strong growth in the loan and investment portfolios. This resulted in an 8% growth in net interest income which moved from J\$7.02 billion in the prior period to J\$7.58 billion in the period under review.

Fees and commission income was 3% lower at J\$2.36 billion as lower business activity was partially offset by significant growth in managed funds and collective investment schemes across the Group.

While our trading lines exceeded expectation, gains were below the prior year as bond and equity trading gains was J\$4.94 billion, while FX trading gains was J\$1.57 billion.

Segment Contribution

The table below shows the contribution to net operating revenue by segments.

Net Operating Revenue	J\$'000	Contribution (%)
Financial & Related Services	9,751,659	59%
Banking & Related Services	6,558,546	40%
Other	233,953	1%
Total	16,544,159	100%

The Banking & Related Services segment contributed J\$6.56 billion or 40% of net operating revenue. This represented a 10% increase when compared to the prior period and was largely on account of strong growth in the loan book which translated to increased net interest income. On the contrary, Financial and Related Services contributed J\$9.75 billion and declined by 14% as a consequence of reduced trading activities.

Operating Efficiency

Operating expenses were J\$547.5 million or 5% lower than the prior period at J\$10.66 billion. Given reduced business activity, we implemented a cost containment program while prioritizing our efficiency related projects. The Group will continue to focus on extracting operational efficiency from all entities through the launch of its standardization and process improvements project.

Interest in Associated Company

For the quarter ended 31 December 2020, the Group has not recorded any share of profits from its associated company Sagicor Financial Company Limited (SFC). SFC has opted to publish its audited results for the year ended 31 December 2020, utilising 90 day provision under the Toronto Stock Exchange (TSX), hence the results for the quarter was not available. The Group will therefore, reflect any earnings from SFC in its fourth quarter ended 31 March 2021.

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GROUP FINANCIAL POSITION

Total Assets

At the end of the reporting period, the JMMB Group's asset base totalled J\$489.24 billion, up J\$89.02 billion or 22% relative to the start of the financial year. This was mainly on account of a larger loan and investment portfolio as well as a larger liquidity buffer. Investment portfolio and loans and notes receivable grew by 30% and 17% to J\$257.26 billion and J\$115.92 billion, respectively. The credit quality of the loan portfolio continued to be comparable to international standards. We also implemented enhanced monitoring to mitigate against possible deterioration in credit quality.

Growth in the asset base over the nine-month period was funded by increases in customer deposits and repos. Customer deposits increased by J\$16.80 billion or 16% to J\$120.98 billion, while repos grew by J\$45.89 billion or 26% to J\$225.48 billion.

Capital

Company	Regulatory Measure	Minimum Requirement	31-Dec-20
Jamaica Money Market Brokers Limited	Regulatory capital to risk weighted assets ratio	10%	15.98%
JMMB Bank (Ja) Limited	Regulatory capital to risk weighted assets ratio	10%	12.05%
JMMB Bank (T&T) Limited	Regulatory capital to risk weighted assets ratio	10%	14.86%
JMMB Securities Limited	Net free capital	J\$142 million	J\$313 million
JMMB Puesto de Bolsa, S.A.	Regulatory capital to risk weighted assets ratio	15.50%	76%

Over the nine-month period, shareholders' equity increased by 48% to J\$61.09 billion. This was on account of increased profitability as well as a rebound in emerging market bond prices which resulted in positive movement in investment revaluation reserve. Thus, the Group continued to be adequately capitalized and all individually regulated companies within

the Group continued to exceed their regulatory capital requirements. The performance of the major subsidiaries is shown in the table above.

Off-Balance Sheet Funds under Management

In alignment with the Group's strategy to provide complete, customized financial solutions for each client, we experienced growth in our off-balance sheet products which include pension funds, unit trusts and money market funds. The total invested in off-balance sheet products as at the end of December 2020 stood at J\$152.1 billion compared to J\$147.9 billion as at the end of the prior period.

The JMMB Group in the Community

For the third quarter, the JMMB Group continued to establish genuine relationships with the wider society, in which it operates, in keeping with its commitment to help others to realize their greatness. As such, the company remains actively involved in nation-building and the sustainability of communities, by supporting entrepreneurial and educational initiatives, transformational projects and community outreach efforts.

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The JMMB Joan Duncan Foundation in **Jamaica**, focused primarily on nation-building initiatives, educational development, transformational training and youth entrepreneurial programmes. The Foundation donated J\$10M to the 'One Laptop or Tablet per Child' initiative, which was spearheaded by the Ministry of Education and PSOJ. The initiative supports inclusivity in the education sector by providing needy children with equitable access to information and communication technology as well as the requisite supporting tools for online learning. Further, the Foundation continued to provide financial support to the Child Resiliency Programme.

Like many other organizations, the Foundation pivoted its approach by incorporating online Conversations for Greatness sessions. Thus far, over 9000 individuals have benefitted from this transformational initiative, including 89 schools and 142 organizations, such as charities, non-profit, governmental agencies and civic groups. For beneficiaries who have completed the programme, there has been a reduction in absenteeism, improvement in academic performance, less disruptive behaviour and greater synergies among the teachers and administrators. Other beneficiaries have praised the programme for how it has shifted their mindset and improved their interpersonal skills.

In support of youth entrepreneurship, the Foundation remained a major sponsor of the Vincent HoSang UWI Venture Competition, providing financial assistance to the top teams, which allows them to transition their business ideas into viable businesses. Also, a Corporate Social Responsibility (CSR) prize is awarded in order to embed CSR in each entrant's business model. This year's competition had 22 entrants with business models focused on digital transformation, a fitting theme given our current environment.

In keeping with the true spirit of Christmas, the Foundation through the JMMB Group's "Share the Love" initiative, partnered with three charities to spread Christmas cheer to over 1000 individuals including the elderly, inner city children as well as homeless and indigent individuals. Further, the Foundation led a #CanYouPIF social media campaign to encourage a ripple effect of kindness and love across communities and the country.

In the **Dominican Republic**, the team remained committed to supporting the welfare and nutritional needs of needy individuals, as well as to providing financial backing for community outreach initiatives. The JMMB team partnered with an outreach organization in order to improve the quality of life, provide hope and share Christmas cheer with the elderly in three nursing homes and a geriatric residence. As such, the JMMB team donated medical and food supplies and much-needed household supplies and appliances.

In **Trinidad & Tobago**, the team spearheaded initiatives to continue supporting the less fortunate and vulnerable groups across various communities. As such the JMMB team partnered with the Rotary Club of Maracas to provide wheel chairs for disabled members of the community. Additionally, the JMMB team donated Amazon Fire tablets to the Mon Repo Community Police outreach as well as to children from Tableland and Cunupia areas. This ensured that these students are able to participate in online classroom activities, which has become a part of the 'new norm' due to COVID-19. This effort will also help to promote greater inclusivity in the education sector and bridge the digital device by providing needy children with equitable access to ICT.

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(Expressed in Jamaican dollars unless otherwise indicated)

General

The Directors thank and acknowledge all our loyal, supportive and valuable shareholders, clients and staff who continue to contribute to our ongoing success.



Archibald Campbell

Chairman



Keith P. Duncan

Group Chief Executive Officer

JMMB GROUP LIMITED

Consolidated Profit and Loss Account

Nine-month period ended 31 December 2020

(Expressed in Jamaican dollars unless otherwise indicated)

	Unaudited Three Months Ended 31-Dec-20 \$000	Unaudited Three Months Ended 31-Dec-19 \$000	Unaudited Nine Months Ended 31-Dec-20 \$000	Unaudited Nine Months Ended 31-Dec-19 \$000
Net Interest Income and Other Revenue				
Interest income	5,884,595	5,165,465	16,824,473	14,740,979
Interest expense	(3,288,542)	(2,767,853)	(9,240,578)	(7,717,668)
Net Interest Income	2,596,053	2,397,612	7,583,895	7,023,311
Fees and commissions income	843,966	837,955	2,360,163	2,426,313
Gain on securities trading, net	1,746,510	1,702,130	4,943,456	5,653,416
Foreign exchange margins from cambio trading	496,111	729,944	1,566,998	2,258,344
Dividends	66,366	16,079	89,647	37,266
Operating Revenue Net of Interest Expense	5,749,006	5,683,720	16,544,159	17,398,650
Operating expenses	(3,498,183)	(3,799,519)	(10,659,906)	(11,207,447)
Impairment loss on financial assets	(369,467)	(103,614)	(741,787)	(398,886)
Operating Profit	1,881,356	1,780,587	5,142,466	5,792,317
Other income	6,841	44	9,219	260
	1,888,197	1,780,631	5,151,685	5,792,577
Share of loss of associate	-	-	(106,972)	-
Profit before Taxation	1,888,197	1,780,631	5,044,713	5,792,577
Taxation	(280,372)	(577,811)	(1,021,219)	(1,788,691)
Profit for the Period	1,607,825	1,202,820	4,023,494	4,003,886
Attributable to:				
Equity holders of the parent	1,510,505	1,201,732	3,848,868	3,925,890
Non-controlling interest	97,320	1,088	174,626	77,996
	1,607,825	1,202,820	4,023,494	4,003,886
Earnings per stock unit	\$0.77	\$0.69	\$1.97	\$2.36

JMMB GROUP LIMITED

Consolidated Statement of Comprehensive Income

Nine-month period ended 31 December 2020

(Expressed in Jamaican dollars unless otherwise indicated)

	Unaudited Three Months Ended 31-Dec-20 \$000	Unaudited Three Months Ended 31-Dec-19 \$000	Unaudited Nine Months Ended 31-Dec-20 \$000	Unaudited Nine Months Ended 31-Dec-19 \$000
Profit for the Period	1,607,825	1,202,820	4,023,494	4,003,886
Other comprehensive income				
<i>Items that may be reclassified to profit or loss:</i>				
Net gain/(loss) on investment in debt instruments measured at FVOCI	8,930,145	(519,431)	16,309,970	3,917,983
Foreign exchange translation differences on translation of foreign subsidiaries	(33,291)	160,460	66,723	506,854
<i>Items that will not be reclassified to profit or loss:</i>				
Net gain/(loss) on investment in equity instruments designated at FVOCI	(19,025)	10,832	3,558	441,593
Total other comprehensive income, net of tax	8,877,829	(348,139)	16,380,251	4,866,430
Total comprehensive income for period	10,485,654	854,681	20,403,745	8,870,316
Total comprehensive income attributable to:				
Owners of the parent	10,019,845	908,840	19,765,255	8,763,198
Non-controlling interest	465,809	(54,159)	638,490	107,118
	10,485,654	854,681	20,403,745	8,870,316

JMMB GROUP LIMITED

Consolidated Statement of Financial Position

Period ended 31 December 2020

(Expressed in Jamaican dollars unless otherwise indicated)

	Unaudited as at 31-Dec-20 \$'000	Unaudited as at 31-Dec-19 \$'000	Audited as at 31-Mar-20 \$'000
ASSETS			
Cash and cash equivalents	58,047,497	46,275,637	42,636,000
Interest receivable	4,560,980	3,172,207	3,504,722
Income tax recoverable	695,607	329,329	618,210
Loans and notes receivable	115,918,578	93,747,311	98,841,073
Other receivables	4,906,751	7,427,560	6,992,662
Investments and resale agreements	257,259,466	221,324,808	198,270,483
Interest in associated company	36,731,922	34,401,946	35,009,306
Investment properties	698,932	538,130	621,232
Property, plant and equipment and intangible assets	6,248,470	5,409,209	5,845,542
Deferred income tax asset	2,289,188	187,024	5,508,584
Right-of-use asset	1,539,568	-	1,849,321
Customers' liability under acceptances, guarantees and letters of credit as per contra	340,985	183,405	525,491
	489,237,944	412,996,566	400,222,626
STOCKHOLDERS' EQUITY			
Share capital	14,115,924	14,115,924	14,115,924
Retained earnings reserve	9,605,055	9,605,055	9,605,055
Investment revaluation reserve	8,878,967	6,440,327	(6,919,287)
Cumulative translation reserve	435,864	12,114	317,731
Retained earnings	26,467,528	20,039,870	23,107,548
	59,503,338	50,213,290	40,226,971
Non-controlling interest	1,590,673	1,190,989	952,183
	61,094,011	51,404,279	41,179,154
Liabilities			
Customer deposits	120,984,250	92,970,777	104,183,074
Due to other financial institutions	486,800	161,073	210,605
Securities sold under agreements to repurchase	225,482,954	194,398,616	179,589,980
Notes payable	47,445,325	45,104,147	45,087,432
Lease liabilities	1,671,899	-	1,948,668
Redeemable preference shares	17,783,016	16,879,633	17,116,952
Interest payable	2,116,107	1,512,019	1,633,703
Income tax payable	2,411,216	1,913,541	1,920,743
Other payables	9,314,754	7,284,180	6,777,046
Deferred income tax liabilities	106,627	1,184,896	49,778
Liability under acceptances, guarantees and letters of credit as per contra	340,985	183,405	525,491
	428,143,933	361,592,287	359,043,472
	489,237,944	412,996,566	400,222,626

Archibald Campbell
Chairman

Keith P. Duncan
Group Chief Executive Officer

JMMB GROUP LIMITED

Consolidated Statement of Changes in Stockholders' Equity

Nine-month period ended 31 December 2020

(Expressed in Jamaican dollars unless otherwise indicated)

	Share Capital	Retained Earnings Reserve	Investment Revaluation Reserve	Cumulative Translation Reserve	Retained Earnings	Attributable to holders of the Parent	Non-Controlling Interest	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balances at March 31, 2019 (Audited)	1,864,554	9,605,055	2,114,147	(499,014)	16,981,202	30,065,944	1,038,332	31,104,276
Profit for the period	-	-	-	-	3,925,889	3,925,889	77,997	4,003,886
Other comprehensive income for period	-	-	4,326,180	511,128	-	4,837,308	29,122	4,866,430
Total comprehensive income for period	-	-	4,326,180	511,128	3,925,889	8,763,197	107,119	8,870,316
Paid in capital	-	-	-	-	-	-	45,538	45,538
Shares issued during the period	12,251,370	-	-	-	-	12,251,370	-	12,251,370
Dividends paid	-	-	-	-	(867,221)	(867,221)	-	(867,221)
Balances at 31 December 2019 (unaudited)	14,115,924	9,605,055	6,440,327	12,114	20,039,870	50,213,290	1,190,989	51,404,279
Balances at March 31, 2020 (Audited)	14,115,924	9,605,055	(6,919,287)	317,731	23,107,548	40,226,971	952,183	41,179,154
Profit for the period	-	-	-	-	3,848,868	3,848,868	174,626	4,023,494
Other comprehensive income for period	-	-	15,798,254	118,133	-	15,916,387	463,864	16,380,251
Total comprehensive income for period	-	-	15,798,254	118,133	3,848,868	19,765,255	638,490	20,403,745
Dividends paid	-	-	-	-	(488,888)	(488,888)	-	(488,888)
Balances at 31 December 2020 (unaudited)	14,115,924	9,605,055	8,878,967	435,864	26,467,528	59,503,338	1,590,673	61,094,011

JMMB GROUP LIMITED

Consolidated Statement of Cash Flows

Nine-month period ended 31 December 2020

(Expressed in Jamaican dollars unless otherwise indicated)

	Unaudited Nine Months Ended 31-Dec-20 \$'000	Unaudited Nine Months Ended 31-Dec-19 \$'000
Cash Flows from Operating Activities		
Profit for the period	4,023,494	4,003,886
Adjustments for:		
Share of loss of associate	106,972	-
Unrealised gain on trading securities	(66,962)	(241,966)
Depreciation and amortisation	752,442	536,436
	<u>4,815,946</u>	<u>4,298,356</u>
Changes in operating assets and liabilities	53,311,033	39,057,451
Net cash provided by operating activities	<u>58,126,979</u>	<u>43,355,807</u>
Cash Flows from Investing Activities		
Investment securities, net	(43,072,596)	(10,515,140)
Dividend received	545,593	-
Investment in associated company	-	(34,401,946)
Purchase of property, plant and equipment and computer software	(939,411)	(953,259)
Net cash used in investing activities	<u>(43,466,414)</u>	<u>(45,870,345)</u>
Cash Flows from Financing Activities		
Issue of ordinary shares	-	12,251,370
Notes payable	1,239,820	6,679,630
Dividends paid	(488,888)	(867,221)
Net cash provided by financing activities	<u>750,932</u>	<u>18,063,779</u>
Net increase in cash and cash equivalents	<u>15,411,497</u>	<u>15,549,241</u>
Cash and cash equivalents at beginning of year	<u>42,636,000</u>	<u>30,726,396</u>
Cash and cash equivalents at end of period	<u><u>58,047,497</u></u>	<u><u>46,275,637</u></u>

JMMB GROUP LIMITED

Notes to the Financial Statements

Nine-month period ended 31 December 2020

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Segment Reporting

	Nine-month period ended 31 December 2020				
	Financial & Related Services	Banking & Related Services	Others	Eliminations	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
External revenues	16,728,294	8,829,766	235,896	-	25,793,956
Intersegment revenue	4,561,299	117,682	-	(4,678,981)	-
Total segment revenue	21,289,593	8,947,448	235,896	(4,678,981)	25,793,956
Share of loss of associate					(106,972)
Profit before tax	3,764,150	1,162,968	117,595	-	5,044,713
Taxation					(1,021,219)
Profit for the period					4,023,494
Total segment assets	450,658,256	178,120,272	2,131,087	(141,671,671)	489,237,944
Total segment liabilities	401,827,356	152,886,376	1,852,638	(128,422,437)	428,143,933
Interest Income	9,757,043	7,063,829	3,601	-	16,824,473
Operating expenses	5,454,108	5,089,621	116,177	-	10,659,906
Depreciation & amortisation	386,765	354,119	11,558	-	752,442
Capital expenditure	725,710	212,816	885	-	939,411

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Segment Reporting

	Nine-month period ended 31 December 2019				
	Financial & Related Services	Banking & Related Services	Others	Eliminations	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
External revenues	17,187,328	7,769,739	159,511	-	25,116,578
Intersegment revenue	5,790,075	126,388	-	(5,916,463)	-
Total segment revenue	22,977,403	7,896,127	159,511	(5,916,463)	25,116,578
Profit before tax	4,409,771	1,341,993	40,813	-	5,792,577
Taxation					(1,788,691)
Profit for the period					4,003,886
Total segment assets	374,354,810	136,490,037	1,740,345	(99,588,626)	412,996,566
Total segment liabilities	325,182,698	121,895,814	1,654,014	(87,140,239)	361,592,287
Interest Income	9,254,741	5,481,121	5,117	-	14,740,979
Operating expenses	6,600,932	4,490,582	115,933	-	11,207,447
Depreciation & amortisation	333,757	194,997	7,682	-	536,436
Capital expenditure	688,047	181,469	83,742	-	953,259

JMMB GROUP LIMITED

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1. Identification

JMMB Group Limited (the “company”) is incorporated and domiciled in Jamaica. The registered office of the company is located at 6 Haughton Terrace, Kingston 10, Jamaica. The principal activity of the Company is that of holding equity investments in business enterprises.

JMMB Group Limited has interest in several subsidiaries and an associated company which are listed below. The company and its subsidiaries are collectively referred to as “Group”.

Name of Subsidiary and Associate	% Shareholding Held by Parent/Subsidiary		Country of Incorporation	Principal Activities
	Parent	Subsidiary		
Jamaica Money Market Brokers Limited and its subsidiaries	100		Jamaica	Securities brokering
JMMB Securities Limited		100	Jamaica	Stock brokering
JMMB Insurance Brokers Limited		100	Jamaica	Insurance brokering
JMMB Real Estate Holdings Limited		100	Jamaica	Real estate holding
Capital & Credit Securities Limited		100	Jamaica	Investment holding
JMMB Fund Managers Limited		100	Jamaica	Fund management
JMMB International Limited	100		St. Lucia	Investment holding and management
JMMB Bank (Jamaica) Limited	100		Jamaica	Commercial banking
JMMB Money Transfer Limited	100		Jamaica	Funds transfer
Jamaica Money Market Brokers (Trinidad and Tobago) Limited and its subsidiaries	100		Trinidad and Tobago	Investment holding company
JMMB Investments (Trinidad and Tobago) Limited and its subsidiary		100	Trinidad and Tobago	Securities brokering
JMMB Securities (T&T) Limited		100	Trinidad and Tobago	Stock brokering
JMMB Bank (T&T) Limited and its subsidiary,		100	Trinidad and Tobago	Commercial banking
JMMB Express Finance (T&T) Limited		100	Trinidad and Tobago	Merchant banking and consumer financing
JMMB Holding Company Limited, SRL and its subsidiaries	100		Dominican Republic	Investment holding and management
JMMB Puesto de Bolsa, S.A.		80	Dominican Republic	Securities brokering
JMMB Sociedad Administradora De Fondos De Inversion, S.A.		70	Dominican Republic	Mutual fund administration
Banco Rio De Ahorro Y Credito JMMB Bank S.A		90	Dominican Republic	Savings and loans bank
AFP JMMB BDI S.A.		50	Dominican Republic	Pension funds administration services
Associate				
Sagicor Financial Company Limited	22.5		Bermuda	Life and health insurance, pension, banking and investment management

JMMB GROUP LIMITED

Notes to the Financial Statements

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2. Summary of Significant Accounting Policies

(a) Basis of preparation

The Group's condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The condensed consolidated financial statements should be read in conjunction with the accounting policies as set out in Notes 2 and 36 of the audited financial statements for the year ended 31 March 2020.

All amounts are stated in Jamaican dollars unless otherwise indicated.

Amendment to IAS 1, *Presentation of Financial Statements* and IAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors* is effective for annual periods beginning on or after January 1, 2020, and provides the following definition of 'material' to guide preparers of financial statements in making judgements about information to be included in financial statements.

"Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity."

The Group does not expect the amendment to have a significant impact on its financial statements.

(b) Basis of consolidation

The consolidated financial statements include the assets, liabilities and results of operations of the Company and its subsidiaries presented as a single economic entity.

Subsidiaries are all entities over which the Company has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one half of the voting rights of an investee, where there is exposure to variability of returns and the Company can use its power to influence the returns. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are no longer consolidated from the date that control ceases.

Intra-group transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of impairment of the asset transferred. Accounting policies of the subsidiaries are consistent with those of the Group.

The Group uses the acquisition method of accounting for business combinations. The cost of acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the consolidated profit and loss account.

JMMB GROUP LIMITED

Notes to the Financial Statements

Nine-month period ended 31 December 2020

(Expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (continued)

The Group uses predecessor value (book value) method of accounting for business combinations with entities under common control. Any differences between the consideration paid and the net assets of the acquired entity is recognised in equity.

(i) Non-controlling interests

Non-controlling interests (NCI) are measured at their proportionate share of the acquiree's identifiable net assets at the acquisition date.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

(ii) Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interest (NCI) and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value.

(b) Interest in associated company

An associated company is an entity over which the Group has significant influence but not control, generally accompanying a shareholding between 20% and 50% of the voting rights. Investments in associates are accounted for by the equity method of accounting and are initially recognised at cost. The Group's investment in associated company includes goodwill (net of any accumulated impairment loss) identified on acquisition.

(c) Earnings per stock unit

Earnings per stock unit ("EPS") is computed by dividing profit attributable to the equity holders of the parent of J\$3,848,868,000 (2019 – J\$3,925,890,000) by the weighted average number of stock units in issue during the period, numbering 1,955,552,532 (2019 – 1,738,885,864).

(d) Managed funds

The Group acts as agent and earns fees for managing clients' funds on a non-recourse basis under a management agreement. At 31 December 2020, funds managed in this way amounted to J\$152,065,370,387 (2019 – J\$147,885,399,417).

(e) Comparative Information

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

JMMB GROUP LIMITED

Share Ownership of the Directors and Executive Team Leaders Period ended 31 December 2020

Directors	Ordinary Shareholding	Connected Parties
Donna Duncan-Scott	7,678,110	ESOP
	71,700	
	37,041,951	JVF O.N. LTD
	37,530,103	CONCISE O.N. LTD
Archibald Campbell	108,400	
	16,000	Lauren Campbell
	894,827	Odette Campbell
Keith P. Duncan	20,591	
	48,438,366	CONCISE E.I. LTD
	40,311,674	JVF E.I. LTD
	846,745	ESOP
V. Andrew Whyte	200,000	
Wayne Sutherland	135,800	Patricia Sutherland
	1,800	Joshua & Patricia Sutherland
	28,540,838	CONCISE R.I. LTD
Dennis Harris	493,277	
Dr. Anne Crick	5,234	
Hugh Duncan	4,828	
Reece Kong	-	
Audrey Welds	100,000	
Audrey Deer Williams	-	
Andrew Cocking	10,025,000	
	23,700	Chelsi Cocking
H. Wayne Powell	294,800	
	205,400	Jennifer Powell
Patricia Dailey Smith	5,200	Brittany Smith
	2,500	Brittany Smith
Patria-Kaye Aarons	180	Kwasi Oginga Charles
Executive Team Leaders	Ordinary Shareholding	Connected Parties
Donna Duncan-Scott	7,678,110	ESOP
	71,700	
	37,041,951	JVF O.N. LTD
	37,530,103	CONCISE O.N. LTD
Keith Duncan	846,745	ESOP
	20,591	
	48,438,366	CONCISE E.I. LTD
	40,311,674	JVF E.I. LTD
Carolyn DaCosta	74,640	ESOP
	260,544	
	3,357	Craig DaCosta
	127,169	Dermott DaCosta
	4,795	Merline DaCosta
Paul Gray	5,237	Amanda DaCosta
	763,731	ESOP
	263,280	Teverly Gray
	46,600	Brittany & Teverly Gray
Julian Mair	27,300	Toni-Ann & Teverly Gray
	239,711	ESOP
Patrick Ellis	239,872	ESOP
Janet Patrick	854,461	ESOP
	64,832	
Damion Brown	210,677	ESOP
	249,400	
Kerry Ann Stimpson	780,032	ESOP
Claudine Tracey	908,000	ESOP
	60,900	
Peta-Gaye Bartley	847,260	ESOP
	11,000	Samuel Bartley

JMMB GROUP LIMITED

Top 10 Largest Shareholders of the JMMB Group

Period ended 31 December 2020

Name of Shareholder	Number of Shares	Percentage Ownership
PROVEN INVESTMENTS LIMITED	391,310,525	20.01%
TRUSTEES JMMB ESOP	180,381,449	9.22%
NATIONAL INSURANCE FUND	108,231,640	5.53%
COLONIAL LIFE INSURANCE CO (TRINIDAD) LTD	103,453,776	5.29%
PANJAM INVESTMENTS LIMITED	68,071,220	3.48%
SJIML A/C 3119	55,872,550	2.86%
CONCISE E.I. LTD	48,438,366	2.48%
JVF O.E. LTD	44,000,000	2.25%
SAGICOR POOLED EQUITY FUND	43,768,338	2.24%
JVF E.I. LTD	40,311,674	2.06%
Total	1,083,839,538	55.42%