

JMMB GROUP LIMITED

Three Months Highlights

Three-month period ended 30 June 2022

(Expressed in Jamaican dollars unless otherwise indicated)

DIRECTORS' STATEMENT

PERFORMANCE HIGHLIGHTS

Net Operating Revenue	J\$6.55 billion, down 5%
Net Interest Income	J\$2.91 billion, up 2%
Net Profit	J\$1.97 billion, up 2%
Earnings per Stock Unit	J\$0.98, up J\$0.10

The Directors are pleased to announce that the JMMB Group Limited posted a net profit of J\$1.97 billion and earnings per share of J\$0.98 for the three months ended 30 June 2022.

GROUP CEO'S COMMENTARY

The JMMB Group posted solid results in the first quarter of its thirtieth year of operations. The Group continues to derive significant benefits from the consistent execution of its diversification strategy. The quarter's performance is largely underpinned by the improved performance of key business lines in Trinidad and Tobago as well as the contribution of J\$1.26 billion from its associated company, Sagikor Financial Company Limited (SFC).

Having come through the short to medium term shocks brought on by the pandemic over the last two years, the Group has managed to successfully pivot to a focus on growth in its major key performance indicators. The current financial year is now however, contextualized by rising global interest rate and an ongoing geopolitical crisis which has exacerbated global supply chain disruptions and commodity prices. With this backdrop, the Group's focus has been refined as "smart growth" which reflects driving growth from core operations and includes deriving the most from its operating territories which are rebounding and/or experiencing faster growth. While rising interest have negatively impacted gains on securities trading, the Group has reflected positive growth from net interest income, foreign exchange trading, income from capital markets and collective investment schemes as our clients continue to demonstrate confidence in our solutions and leverage our expertise.

Smart Growth – Revenue & Geographic Diversification, Strong Capital Management

The Group's "smart growth" strategy now includes an emphasis on strategic revenue diversification, strong capital management, and growing core activities in key business lines. This has thus included a shift to the utilization of less capital, a focus on off balance sheet funds and deriving core revenue from FX gains, capital markets and the banking business line.

Additionally, the Group's year over year first quarter growth in net profit was due in part to the 23.33% stake in SFC. This acquisition continues to deliver considerable value to the Group and underscores the efficacy of the Group's inorganic growth strategy.

Also contributing to this performance is the Group's operations in the Dominican Republic which contributed 25% of operating revenue. This performance again underscores the continued value of the market and the Group's continued and aggressive execution of its diversification strategy there. In keeping with this is the most recent acquisition in the

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market by JMMB Holding Company SRL's, a subsidiary of JMMB Group Limited, which acquired 100% shareholding in Dominican Republic-based Banco Múltiple Bell Bank SA, marking the Group's entry into the market's commercial banking sector. With this acquisition, the Group's operations in this territory are now rounded out to include a full range of investment management services, pension funds management and commercial banking services. Through this, the Group is now set to further deepen its presence in the market inclusive of the roll out of a full range of online banking as well as niche card and payment solutions and services.

In the upcoming quarters, focus on geographic diversification will remain with sharp focus on Trinidad and Tobago, where the operating environment is currently more accommodative to growth. Business line diversification will also continue to be important with the fund management business line specifically targeted for growth through new and existing mutual fund products to support further diversification and financial goal attainment for clients. Additionally, there will be a strategic focus on capital efficient growth from lending as well as opportunistic growth in the investment portfolio as well as an emphasis on revenue diversification as the Group expands its payments solutions suite with the roll out of e-commerce and niche card solutions in the upcoming quarter. With this, the Group expects to continue to deliver solid results and value to stakeholders for the remainder of the financial year.

GROUP FINANCIAL PERFORMANCE

Net Operating Revenue

The JMMB Group posted net operating revenue of J\$6.55 billion for the three months ended June 30, 2022, reflecting a decline of 5%. The operating environment was quite challenging when compared to the prior period. For one, there was rising inflation which reflected the war in Ukraine and the attendant increase in geo-political uncertainty; supply chain disruptions as well as other Covid-related factors. Central banks across the world, as a part of their inflation-targeting regime, have responded by increasing interest rate and reducing market liquidity. This had a particularly negative effect on trading gains.

Trading gains fell by 58% to J\$1B as given higher interest rates, investors were de-risking and as a result there was reduced demand for emerging market assets. Consequently, asset prices fell and trading activity was reduced. This was contrary to the prior period, then investor sentiment was high and interest rates were low. Therefore, investors were in search of yields and there was high demand for emerging market assets.

All other major revenue line items increased, especially fees and commission income. This was facilitated by increased economic activity as all the territories in which we operate are in recovery mode. In fact, the Dominican Republic has recovered to pre-pandemic levels. Thus, fees and commission income was 75% higher at J\$1.67 billion and reflected significant growth in managed funds and collective investment schemes across the Group. Our clients continue to be reassured by our expertise and our dedication to ensuring that they meet their financial life goals. Further, our clients continue to demonstrate confidence in the value of solutions and services which was evidenced by strong growth in the loan and investment portfolios. Thus, net interest income moved from J\$2.86 billion to J\$2.91 billion.

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Segment Contribution

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

Net Operating Revenue	J\$'000	Contribution (%)
Financial & Related Services	3,231,512	49%
Banking & Related Services	3,263,916	50%
Other	57,747	1%
Total	6,553,175	100%

The Banking & Related Services segment contributed J\$3.23 billion or 50% of net operating revenue. This represented a 32% increase when compared to the prior period and reflected strong growth in the loan book which translated into increased net interest income. Also, there were higher trading gains and fees.

The Financial and Related Services segment contributed J\$3.26 billion or 49% of net operating revenue and reflected a decline of 25%. This largely reflected lower trading gains.

Operating Efficiency

Operating expenses moved from J\$4.72 billion to J\$5.32 billion as we continued to grow in a cost efficient manner. This included inflationary increases as well as strategic spend related to our longer term initiatives aimed at improving the posture and positioning of the Group. Thus, operational efficiency moved from 69% to 81%. Nevertheless, we continued to focus on projects to cause scale and efficiency and thereby contribute to long term shareholder value.

GROUP FINANCIAL POSITION

Total Assets

At the end of the reporting period, the JMMB Group's asset base totalled J\$624.89 billion, up 2% relative to the start of the financial year. This was mainly on account of a larger loan portfolio which grew by 7% to J\$152.5 billion. The credit quality of the loan portfolio continued to be comparable to international standards and we continue to maintain enhanced monitoring to mitigate against possible deterioration in credit quality.

Growth in the asset base over the three-month period was funded in part by increases in multilateral funding and repos. An additional tranche of funding was received from IDB Invest, a member of the Inter-American Development Bank Group. This is earmarked for the SME segment and will improve the capacity of the JMMB Bank (JA) to continue building its SME solutions suite. Also, repos grew by 2% to J\$305.49 billion.

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Capital

Company	Regulatory Measure	Minimum Requirement	30-Jun-22
Jamaica Money Market Brokers Limited	Regulatory capital to risk weighted assets ratio	10%	17.79%
JMMB Bank (Ja) Limited	Regulatory capital to risk weighted assets ratio	10%	12.22%
JMMB Bank (T&T) Limited	Regulatory capital to risk weighted assets ratio	10%	15.69%

Over the three-month period, shareholders' equity decreased by 10% to J\$50.67 billion. Despite posting significant profit for Q1, this was completely offset by further decline in investment revaluation reserve. For the current reporting period, bond prices and by extension investment revaluation reserve

continued to be negatively impacted by rising interest rates, increased global uncertainty, rising commodity prices as well as supply chain disruptions.

Nevertheless, the Group continues to be adequately capitalized and all individually regulated companies within the Group continues 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 June 2022 stood at J\$190.08 billion compared to J\$170.68 billion as at end of June 2021.

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The JMMB Group in the Community

JMMB Group continues to establish genuine relationships with the wider society, in which it operates, in keeping with its commitment to help others to realize their greatness. During this period, the Group's corporate social responsibility efforts was largely focused on: educational initiatives, transformational training, entrepreneurship and other community outreach initiatives.

The JMMB Joan Duncan Foundation in **Jamaica**, focused primarily on nation-building initiatives, educational development, and transformational training. With a desire to continue to support education, the JMMB Joan Duncan Foundation donated 400 tablets, valued at approximately J\$10 million. This initiative assisted students to recover from learning loss, due to the interruption of face-to-face classes and the digital divide in online learning, caused by the pandemic. The Foundation partnered with the Beverley Manley Duncan Foundation, schools and other charitable organizations islandwide to award hundreds of disadvantaged students with tablets to support their learning. Additionally, the Foundation opened application for its annual scholarship programme, that is designed for promising students, who are financially challenged. These initiatives are in keeping with the Foundation's commitment to develop youth, through education and empower them to unearth their greatness, and thereby fulfil their goals and dreams.

Having signed a memorandum of understanding (MOU) with Mico University College, last year, to embed the transformational programme, Conversations for Greatness (CFG), as part of the teacher training curriculum, the Foundation welcomed its first cohort of 135 Mico students. This MOU is expected to assist with the sustainability of a transformational mindset in the education sector, through one of the key stakeholders – teachers. This is the core aim of the CFG programme; thereby causing a ripple-effect of the positive outcomes of the programme across the education system in Jamaica. Sam Sharpe Teachers' College also came on board, and signed a MOU, and the Foundation is looking to extend this programme to other teachers' colleges. As another part of the sustainability of CFG, the Foundation continues to provide this transformational training programme online via its Conversations for Greatness app. Hundreds of individuals from community groups, voluntary and service organizations and the beneficiaries who have received support from the Foundation, have been trained using the CFG App.

In addition, the Foundation offered ongoing CFG workshops to participants islandwide, in the Step-to-Work programme implemented by the Ministry of Labour and Social Security (MLSS). This programme is focused on bolstering the labour capabilities and empowering the Programme of Advancement Through Health and Education (PATH) participants of working age. Over 300 individuals have benefitted from the CFG programme as part of this BiZStart 101 component in the Steps-to-Work programme, that is geared towards entrepreneurship. In extending the transformational conversation on a national level, the 9th annual Joan Duncan Memorial lecture sought to address the pervasive mindset in our society, which accepts unethical practices as normal. The lecture which pays tribute to the late co-founder, Joan Duncan, was held under the theme, "A Suh De Ting Set": The Urgent Need to Bring Back Moral and Social Ethics to our Public and Private Priorities," held on May 15 on TVJ.

The Foundation continues its support for sporting development and has provided financial for the Jamaica Football Federation (JFF) to offset training of coaches and made a donation to the Jamaica Netball Association (JNA).

In the **Dominican Republic**, the team has focused its efforts in supporting youth development through entrepreneurship, financial literacy and community outreach. As such, the team continues to partner with the UNPHU entrepreneurship center, to provide financial advisory services, facilitate in the promotion of products and services, trainings and workshops for these budding entrepreneurs, who are a part of the programme. In addition, JMMB is seeking to broaden its support of this initiative with the launch of a programme called **Conexion Unphu JMMB**, later this year, which is intended to provide various trainings to established entrepreneurs.

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As part of its community outreach efforts, the team remains committed to supporting the welfare and nutritional needs of children at selected homes and orphaned children, as well as providing financial backing for community outreach initiatives. The JMMB team has also participated in several financial literacy workshops at organizations in a bid to empower individuals to make smart financial decisions.

Over the period, the Corporate Social Responsibility (CSR) committee in **Trinidad & Tobago**, spearheaded efforts to support community outreach initiatives and entrepreneurship. The team partnered with Youth Training and Employment Partnership (YTEP) programme, which is designed to inculcate a culture of entrepreneurship among economically and socially vulnerable youth and unemployed individuals. The programme offers micro-entrepreneurship training and funding for the top three participants of the business plan and elevator pitch competition. Additionally, the team donated to other community projects.

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

Three-month period ended 30 June 2022

(Expressed in Jamaican dollars unless otherwise indicated)

	Unaudited Three Months Ended 30-Jun-22 \$000	Unaudited Three Months Ended 30-Jun-21 \$000
Net Interest Income and Other Revenue		
Interest income	7,837,475	6,393,099
Interest expense	(4,927,464)	(3,531,980)
Net Interest Income	2,910,011	2,861,119
Fees and commissions income	1,672,953	957,008
Gain on securities trading, net	1,025,444	2,446,395
Foreign exchange margins from cambio trading	883,196	583,169
Dividends	61,571	16,619
Operating Revenue Net of Interest Expense	6,553,175	6,864,310
Operating expenses	(5,317,180)	(4,719,428)
Operating Profit	1,235,995	2,144,882
Other income	4,117	29
	1,240,112	2,144,911
Impairment loss on financial assets	(374,690)	(241,641)
Share of profit of associate	1,256,227	318,655
Profit before Taxation	2,121,649	2,221,925
Taxation	(148,640)	(289,480)
Profit for the Period	1,973,009	1,932,445
Attributable to:		
Equity holders of the parent	1,915,667	1,713,765
Non-controlling interest	57,342	218,680
	1,973,009	1,932,445
Earnings per stock unit (Note 3)	0.98	\$0.88

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Consolidated Statement of Comprehensive Income

Three-month period ended 30 June 2022

(Expressed in Jamaican dollars unless otherwise indicated)

	Three Months Ended 30-Jun-22 \$000	Three Months Ended 30-Jun-21 \$000
Profit for the Period	1,973,009	1,932,445
Other comprehensive income		
<i>Items that may be reclassified to profit or loss:</i>		
Net (loss)/gain on investment in debt instruments measured at FVOCI	(7,295,334)	1,107,602
Foreign exchange translation differences on translation of foreign subsidiaries	(756,932)	56,912
<i>Items that will not be reclassified to profit or loss:</i>		
Net gain/(loss) on investment in equity instruments designated at FVOCI	84,544	(61,195)
Total other comprehensive (loss)/income, net of tax	<u>(7,967,722)</u>	<u>1,103,319</u>
Total comprehensive (loss)/income for period	<u>(5,994,713)</u>	<u>3,035,764</u>
Total comprehensive (loss)/income attributable to:		
Owners of the parent	(5,668,071)	3,051,587
Non-controlling interest	<u>(326,642)</u>	<u>(15,823)</u>
	<u>(5,994,713)</u>	<u>3,035,764</u>

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Consolidated Statement of Financial Position

Three-month period ended 30 June 2022

(Expressed in Jamaican dollars unless otherwise indicated)

	Unaudited as at 30-Jun-22 \$'000	Unaudited as at 30-Jun-21 \$'000	Audited as at 31-Mar-22 \$'000
ASSETS			
Cash and cash equivalents	63,124,812	59,026,954	62,180,345
Interest receivable	5,675,835	4,903,684	4,860,486
Income tax recoverable	429,792	613,797	492,964
Loans and notes receivable	152,501,158	127,126,138	142,712,234
Other receivables	9,409,969	9,128,884	7,563,312
Investments and resale agreements	331,813,449	290,915,814	334,536,455
Interest in associated company	40,171,421	39,346,144	42,783,595
Investment properties	1,359,115	698,931	1,227,476
Property, plant and equipment and intangible assets	7,272,466	6,693,615	7,044,158
Deferred income tax asset	12,040,171	4,732,384	9,883,034
Right-of-use asset	1,092,547	1,378,038	1,182,192
	624,890,735	544,564,383	614,466,251
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	(18,455,176)	5,575,416	(11,337,082)
Cumulative translation reserve	2,175,601	1,565,376	2,641,245
Retained earnings	41,820,483	31,838,327	39,904,816
	49,261,887	62,700,098	54,929,958
Non-controlling interest	1,406,237	1,615,579	1,462,088
	50,668,124	64,315,677	56,392,046
Liabilities			
Customer deposits	150,347,565	134,403,690	151,846,966
Due to other financial institutions	15,032,533	6,283,374	11,789,703
Securities sold under agreements to repurchase	305,489,879	244,577,191	298,287,175
Notes payable	56,793,137	48,933,837	51,619,130
Lease liabilities	1,276,632	1,544,930	1,376,078
Redeemable preference shares	28,507,833	28,179,528	28,745,897
Interest payable	3,715,264	2,241,401	2,977,387
Income tax payable	1,596,868	2,482,627	1,271,872
Other payables	11,332,711	11,246,961	10,144,184
Deferred income tax liabilities	130,189	355,167	15,813
	574,222,611	480,248,706	558,074,205
	624,890,735	544,564,383	614,466,251

Archibald Campbell
Chairman

Keith P. Duncan
Group Chief Executive Officer

JMMB GROUP LIMITED

Consolidated Statement of Changes in Stockholders' Equity

Three-month period ended 30 June 2022

(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, 2021 (Audited)	14,115,924	9,605,055	4,562,694	1,240,276	30,124,562	59,648,511	1,563,047	61,211,558
Profit for the period	-	-	-	-	1,713,765	1,713,765	218,680	1,932,445
Other comprehensive income for period	-	-	1,012,722	325,100	-	1,337,822	(234,503)	1,103,319
Total comprehensive income for period	-	-	1,012,722	325,100	1,713,765	3,051,587	(15,823)	3,035,764
Paid in capital	-	-	-	-	-	-	68,355	68,355
Balances at 30 June 2021 (Unaudited)	14,115,924	9,605,055	5,575,416	1,565,376	31,838,327	62,700,098	1,615,579	64,315,677
Balances at March 31, 2022 (Audited)	14,115,924	9,605,055	(11,337,082)	2,641,245	39,904,816	54,929,958	1,462,088	56,392,046
Profit for the period	-	-	-	-	1,915,667	1,915,667	57,342	1,973,009
Other comprehensive (loss)/income for period	-	-	(7,118,094)	(465,644)	-	(7,583,738)	(383,984)	(7,967,722)
Total comprehensive (loss)/income for period	-	-	(7,118,094)	(465,644)	1,915,667	(5,668,071)	(326,642)	(5,994,713)
Paid in capital	-	-	-	-	-	-	270,791	270,791
Balances at 30 June 2022 (Unaudited)	14,115,924	9,605,055	(18,455,176)	2,175,601	41,820,483	49,261,887	1,406,237	50,668,124

JMMB GROUP LIMITED

Consolidated Statement of Cash Flows

Three-month period ended 30 June 2022

(Expressed in Jamaican dollars unless otherwise indicated)

	Unaudited Three Months Ended 30-Jun-22 \$'000	Unaudited Three Months Ended 30-Jun-21 \$'000
Cash Flows from Operating Activities		
Profit for the period	1,973,009	1,932,445
Adjustments for:		
Share of profit of associate	(1,256,227)	(318,655)
Unrealised gain on trading securities	114,578	(183,936)
Depreciation and amortisation	286,503	241,606
	<u>1,117,863</u>	<u>1,671,460</u>
Changes in operating assets and liabilities	5,782,312	14,059,340
Net cash provided by operating activities	<u>6,900,175</u>	<u>15,730,800</u>
Cash Flows from Investing Activities		
Investment securities, net	(4,860,732)	(23,885,972)
Dividends received	602,658	281,981
Purchase of property, plant and equipment and computer software	(568,584)	(392,778)
Net cash used in investing activities	<u>(4,826,658)</u>	<u>(23,996,769)</u>
Cash Flows from Financing Activities		
Notes payable	(1,129,050)	-
Net cash used in financing activities	<u>(1,129,050)</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents	944,467	(8,265,969)
Cash and cash equivalents at beginning of year	62,180,345	67,292,923
Cash and cash equivalents at end of period	<u><u>63,124,812</u></u>	<u><u>59,026,954</u></u>

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Notes to the Financial Statements

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Segment Reporting

	Three-month period ended 30 June 2022				
	Financial & Related Services	Banking & Related Services	Others	Eliminations	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
External revenues	6,859,626	4,567,888	57,242	-	11,484,756
Intersegment revenue	2,095,973	52,616	-	(2,148,589)	-
Total segment revenue	8,955,599	4,620,504	57,242	(2,148,589)	11,484,756
Share of profit of associate					1,256,227
Profit before tax	1,477,999	640,410	3,240	-	2,121,649
Taxation					(148,640)
Profit for the period					1,973,009
Total segment assets	590,268,033	233,241,896	2,970,326	(201,589,520)	624,890,735
Total segment liabilities	538,536,021	209,116,125	2,595,736	(176,025,271)	574,222,611
Interest Income	4,315,384	3,517,788	4,303	-	7,837,475
Operating expenses	2,972,957	2,291,627	52,596	-	5,317,180
Depreciation & amortisation	63,236	218,828	4,439	-	286,503
Capital expenditure	376,360	60,586	131,638	-	568,584

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Segment Reporting

	Three-month period ended 30 June 2021				
	Financial & Related Services	Banking & Related Services	Others	Eliminations	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
External revenues	6,998,423	3,335,071	62,825	-	10,396,319
Intersegment revenue	1,836,517	40,240	-	(1,876,757)	-
Total segment revenue	8,834,940	3,375,311	62,825	(1,876,757)	10,396,319
Share of profit of associate					318,655
Profit before tax	1,821,346	379,174	21,405	-	2,221,925
Taxation					(289,480)
Profit for the period					1,932,445
Total segment assets	495,735,303	200,810,036	2,178,509	(154,159,465)	544,564,383
Total segment liabilities	447,957,770	169,224,521	1,873,390	(138,806,975)	480,248,706
Interest Income	3,643,811	2,747,910	1,378	-	6,393,099
Operating expenses	2,731,405	1,947,138	40,885	-	4,719,428
Depreciation & amortisation	124,639	113,666	3,301	-	241,606
Capital expenditure	207,867	182,135	2,776	-	392,778

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		
JMMB Financial Holdings Limited	100		Jamaica	Financial holding company
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		Barbados	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 Río 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	23.33		Bermuda	Life and health insurance, pension, banking and investment management

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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 Note 2 and 35 of the audited financial statements for the year ended 31 March 2022.

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.

JMMB GROUP LIMITED

Notes to the Financial Statements

Three-month period ended 30 June 2022

(Expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (continued)

(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.

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.

JMMB GROUP LIMITED

Notes to the Financial Statements

Three-month period ended 30 June 2022

(Expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (continued)

(b) Interest in associated company

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.

3. Earnings per stock unit

Earnings per stock unit ("EPS") is computed by dividing profit attributable to the equity holders of the parent of J\$ 1,915,667,000 (2021 – J\$1,713,765,000) by the weighted average number of stock units in issue during the period, numbering 1,955,552,532 (2021 – 1,955,552,532).

4. Managed funds

The Group acts as agent and earns fees for managing clients' funds on a non-recourse basis under a management agreement. At 30 June 2022, funds managed in this way amounted to J\$190,936,461,271 (2021 – J\$170,683,726,336).

5. 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 30 June 2022

Directors	Ordinary Shareholding	Connected Parties
Donna Duncan-Scott	7,678,110	ESOP
	71,700	
	36,511,950	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	
	47,438,366	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	
	36,511,950	JVF O.N. LTD
	37,530,103	CONCISE O.N. LTD
Keith Duncan	846,745	ESOP
	20,591	
	47,438,366	CONCISE E.I. LTD
	40,311,674	JVF E.I. LTD
Carolyn DaCosta	74,640	ESOP
	263,474	
	3,357	Craig DaCosta
	127,169	Dermott DaCosta
Paul Gray	4,795	Merline DaCosta
	5,237	Amanda DaCosta
	763,731	ESOP
	263,280	Teverly Gray
Julian Mair	46,600	Brittany & Teverly Gray
	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 30 June 2022

Name of Shareholder	Number of Shares	Percentage Ownership
PROVEN INVESTMENTS LIMITED	391,310,525	20.010%
TRUSTEES JMMB ESOP	183,590,420	9.388%
NATIONAL INSURANCE FUND	108,231,640	5.535%
COLONIAL LIFE INSURANCE CO (TRINIDAD) LTD	88,453,776	4.523%
PANJAM INVESTMENTS LIMITED	56,500,000	2.889%
SJIML A/C 3119	55,572,542	2.842%
CONCISE E.I. LTD	47,438,366	2.426%
JVF O.E. LTD	43,900,000	2.245%
SAGICOR POOLED EQUITY FUND	43,768,338	2.238%
JVF E.I. LTD	40,311,674	2.061%
Total	1,059,077,281	54.16%