

JMMB GROUP LIMITED

Six Months Highlights

Six-month period ended 30 September 2022

(Expressed in Jamaican dollars unless otherwise indicated)

DIRECTORS' STATEMENT

PERFORMANCE HIGHLIGHTS

| | |
|-------------------------|---------------------------|
| Net Operating Revenue | J\$12.39 billion, down 8% |
| Net Interest Income | J\$5.70 billion, down 2% |
| Net Profit | J\$3.63 billion |
| Earnings per Stock Unit | J\$1.77 |

The Directors are pleased to announce that the JMMB Group Limited posted a net profit of J\$3.63 billion and earnings per share of J\$1.77 for the six months ended 30 September 2022.

GROUP CEO'S COMMENTARY

Solid Results Despite Market Conditions

Despite the adverse market conditions, the JMMB Group posted solid net profits of J\$3.6 billion for the period ending September 30, 2022. This follows the Group's exceptional performance of record profits under more normalized market conditions in the previous financial year.

The Group has continued to successfully implement strategies to diversify and maximize revenue via its "smart growth" initiatives whilst navigating the current challenging operating environment. Recognizing this, regional and International entities continued to demonstrate their confidence around the Group's performance and strategy. In September, Caribbean Information and Credit Rating Services Limited (CariCRIS) upgraded its Corporate Credit Ratings for JMMB Group Limited to Cari A- on its regional local currency scale while IDB Invest, a member of the Inter-American Development Bank Group, a strategic ongoing funding partner for the Group, delivered an additional tranche of funding during the period.

Diversification Still Delivering

While the high interest rate operating environment impacted the performance of the investments business line in Jamaica and Dominican Republic, the Group still benefitted from its regional and business line reach. The banking business line continued its very positive trajectory of performance, increasing its overall contribution to Group earnings to end at 52% contribution for the period. Banking and related services, funds management and the securities business lines all posted solid results across the Group's operating territories. Specifically, Trinidad & Tobago reflected very positive growth in operating revenues and increased its overall contribution to Group profitability. Likewise, the Dominican Republic (DR) portfolio of companies delivered a strong performance during the period with 18% contribution to net operating revenue. The Group's 2019 investment, Sagicor Financial Corporation (SFC), also contributed the Group's profitability ending the period with J\$2.2 billion in net earnings.

In October JMMB Holding Company SRL, a wholly owned subsidiary of JMMB Group Limited, received final approval for its acquisition of 100 per cent (100%) shareholding in Dominican Republic-based Banco Múltiple Bell Bank SA, and on October 24, 2022 merged that operations with Banco De Ahorro Y Crédito JMMB Bank S.A., the Group's existing savings and loans bank in the DR. This marks the Group's entry into the commercial banking sector in the Dominican Republic. This acquisition, in line with the Group's diversification and inorganic growth strategies, rounds

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out the Group's DR operations to now include a full range of investment management services, pension funds management and commercial banking services. The acquisition additionally sets up the Group's presence in the DR to deliver a full range niche card and other payment solutions and services. With the DR flagged as a growth market in the region, the Group expects to derive strong returns on this acquisition.

One Group, One Client, One Experience

Operational efficiency continues to be a key focus area as the Group seeks to increase productivity as well as scale to expand its ability to deliver services and solutions tailored to clients' life goals. This has meant consistency in the development key solutions, services and experiences which should redound to an improved online experience, increased income across key revenue line items and cost savings from the digitization of key processes in service delivery. The work in this area during the quarter included the following key projects:

- Merchant Acquiring Solutions for business clients including POS and Scan2Pay solutions developed with technology partner WiPay Jamaica Limited;
- Mobile Banking App which will offer clients an improved banking experience on the go
- Online Onboarding which will enable clients to start their relationship with us online

Driving Profitability

It is expected that the Group's combined focus on "smart growth" and diversification through expansion into new geographies and new business lines will yield the core revenue, efficiencies, solutions and experiences that drive positive growth in key performance indicators. Given the Group's portfolio, it is projected that organic growth, earnings from strategic investments, as well as expected efficiency gains, will continue to drive the Group's profitability over the next two quarters.

GROUP FINANCIAL PERFORMANCE

Net Operating Revenue

The JMMB Group posted net operating revenue of J\$12.39 billion for the six months ended September 30, 2022, reflecting a decline of 8%. The operating environment remained challenging when compared to the prior period. This stemmed from 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, continued to increase interest rate and to reduce market liquidity. This had a particularly negative effect on trading gains.

Trading gains fell by 53% to J\$1.84B as given rising interest rates, investors continued to de-risk 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.

Largely, the other major revenue lines 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 25% higher at J\$3.14 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.

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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.

Segment Contribution

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

| Net Operating Revenue | J\$'000 | Contribution (%) |
|------------------------------|-------------------|------------------|
| Financial & Related Services | 5,852,546 | 47% |
| Banking & Related Services | 6,419,304 | 52% |
| Other | 121,190 | 1% |
| Total | 12,393,040 | 100% |

The Banking & Related Services segment contributed J\$6.42 billion or 52% of net operating revenue. This represented a 24% 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 FX trading gains and fees.

The Financial and Related Services segment contributed J\$5.85 billion or 47% of net operating revenue and reflected a decline of 28%. This largely reflected lower trading gains.

Operating Efficiency

Operating expenses moved from J\$8.86 billion to J\$9.96 billion and reflected 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 66% to 80%. 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\$637.85 billion, up 4% relative to the start of the financial year. This was mainly on account of a larger loan portfolio which grew by 13% to J\$161.45 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 six-month period was funded in part by increases in customer deposits, repos and multilateral funding. Deposits grew by 6% to J\$161.71 billion, while repos increased by 3% to J\$307.85 billion. Further, 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.

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Capital

| Company | Regulatory Measure | Minimum Requirement | 30-Sep-22 |
|--------------------------------------|--|---------------------|-----------|
| Jamaica Money Market Brokers Limited | Regulatory capital to risk weighted assets ratio | 10% | 15.36% |
| 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% | 15.19% |

Over the six-month period, shareholders' equity decreased by 15% to J\$48 billion. Despite posting significant profit since the start of year, 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 September 2022 stood at J\$185.46 billion compared to J\$179.57 billion as at end of September 2021.

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The JMMB Group in the Community

In keeping with its Vision of Love, JMMB Group is actively and publicly involved in charitable and voluntary activities within the societies in which it operates. This is with the understanding that it has everything to do with JMMB as part of the link in the wider chain. As such, during the second quarter, the Group's efforts were largely focused on educational initiatives, entrepreneurship, transformational training and community outreach.

In **Jamaica**, the JMMB Joan Duncan Foundation spearheaded major educational initiatives, namely provision of scholarships totalling J\$10M, to students at the secondary and tertiary levels, to help bridge the financial gap of students and allow them to realize their dreams. To honour the memory of the late co-founder, Joan Duncan and mark the company's 30th anniversary, 30 special scholarships were also awarded to secondary school students.

The Foundation invested J\$1.25M in youth summer programmes, to assist hundreds of students to recover from learning loss, caused by disruption in their academic programmes as a result of the pandemic; and support youth development activities for at-risk youth. The JMMB Joan Duncan Foundation, also contributed J\$3M to the Joy Town Community Development Foundation to offset the cost of building a training centre, as the first step towards establishing a resource and wellness centre to house health facilities and a resource desk, and assist community development programmes.

In support of youth entrepreneurship, the Foundation continued its partnership the Vincent Hosang UWI Venture Competition (UWIVC) at Mona School of Business. Furthermore, the Foundation remains committed to its mandate to be a vehicle of transformation. As such, the JMMB Joan Duncan Foundation answered the call to support the transformation of Jamaica by donating J\$20M to Project Star, a social transformational and renewal programme, led by the Private Sector Organization of Jamaica (PSOJ) in partnership with the Jamaica Constabulary Force (JCF). In addition, the Foundation continues to provide hundreds of individuals, who are beneficiaries of the Foundation's support, with transformational training via its Conversations for Greatness app. These beneficiaries include: community groups, voluntary and service organizations and scholarship recipients. As another aspect of the sustainability of Conversations for Greatness (CFG) programme, the Foundation continues its collaboration with selected teacher-training institutions to offer CFG, as a part of the curriculum, in order to embed transformational training in the education system. Additionally, the Foundation alongside the wider team continues to support a range of community outreach efforts.

During the quarter, the team in the **Dominican Republic**, focused its corporate social responsibility efforts on entrepreneurial activities and community outreach. JMMB continued its partnership with UNPHU Emprende, the Entrepreneur division of the Universidad Nacional Pedro Henriquez Ureña, providing support and financial advisory services to the entrepreneurs. Additionally, JMMB provided training and financial solutions to the centre's clients and conducted personal finance sessions for 230 of the UNPHU employees in order to build financial literacy. As part of its community outreach efforts, the team also continued to support the nutritional and educational needs of the orphaned children of the Casa Hogar Madelaes and Casa Nuestra Sra. Further, in an effort to preserve the environment, the team joined forces with the government-led initiative to clean up beaches.

In **Trinidad & Tobago**, the team directed education-related projects and community outreach activities by assisting selected children homes through the provision of educational supplies for the new school term. Additionally, the team provided financial backing for the repair of a section of Vishnu Boys Hindu College. As a signal of the commitment to being a responsible corporate citizen, the CSR Committee also reviewed its ESG footprint, as part of its mandate to deepen its presence in the community and contribute in a more impactful way, to help the team and communities to unearth greatness and transform lives.

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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

Period ended 30 September 2022

(Expressed in Jamaican dollars unless otherwise indicated)

| | Unaudited Three Months Ended 30-Sep-22 \$000 | Unaudited Three Months Ended 30-Sep-21 \$000 | Unaudited Six Months Ended 30-Sep-22 \$000 | Unaudited Six Months Ended 30-Sep-21 \$000 |
|--|--|--|--|--|
| Net Interest Income and Other Revenue | | | | |
| Interest income | 8,659,592 | 6,752,820 | 16,497,067 | 13,145,919 |
| Interest expense | (5,870,128) | (3,794,965) | (10,797,592) | (7,326,945) |
| Net Interest Income | 2,789,464 | 2,957,855 | 5,699,475 | 5,818,974 |
| Fees and commissions income | 1,462,450 | 1,560,448 | 3,135,403 | 2,517,456 |
| Gain on securities trading, net | 815,363 | 1,434,799 | 1,840,807 | 3,881,194 |
| Foreign exchange margins from cambio trading | 738,350 | 638,767 | 1,621,546 | 1,221,936 |
| Dividends | 34,238 | 9,192 | 95,809 | 25,811 |
| Operating Revenue Net of Interest Expense | 5,839,865 | 6,601,061 | 12,393,040 | 13,465,371 |
| Operating expenses | (4,640,896) | (4,137,395) | (9,958,076) | (8,856,823) |
| Operating Profit | 1,198,969 | 2,463,666 | 2,434,964 | 4,608,548 |
| Other income | 32,521 | 3,746 | 36,638 | 3,775 |
| | 1,231,490 | 2,467,413 | 2,471,602 | 4,612,323 |
| Impairment loss on financial assets | (468,965) | (260,792) | (843,655) | (502,433) |
| Share of profit of associate | 900,899 | 1,759,335 | 2,157,126 | 2,077,990 |
| Profit before Taxation | 1,663,424 | 3,965,955 | 3,785,073 | 6,187,880 |
| Taxation | (11,311) | (411,331) | (159,951) | (700,811) |
| Profit for the Period | 1,652,113 | 3,554,624 | 3,625,122 | 5,487,069 |
| Attributable to: | | | | |
| Equity holders of the parent | 1,552,945 | 3,419,502 | 3,468,612 | 5,133,267 |
| Non-controlling interest | 99,168 | 135,122 | 156,510 | 353,802 |
| | 1,652,113 | 3,554,624 | 3,625,122 | 5,487,069 |
| Earnings per stock unit (Note 3) | 0.79 | \$1.75 | \$1.77 | \$2.62 |

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Consolidated Statement of Comprehensive Income

Period ended 30 September 2022

(Expressed in Jamaican dollars unless otherwise indicated)

| | Unaudited Three Months Ended 30-Sep-22 \$000 | Unaudited Three Months Ended 30-Sep-21 \$000 | Unaudited Six Months Ended 30-Sep-22 \$000 | Unaudited Six Months Ended 30-Sep-21 \$000 |
|---|--|--|--|--|
| Profit for the Period | 1,652,113 | 3,554,624 | 3,625,122 | 5,487,069 |
| 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 | (4,017,341) | 251,786 | (11,312,675) | 1,359,388 |
| Foreign exchange translation differences on translation of foreign subsidiaries | 290,442 | (240,775) | (466,490) | (183,863) |
| <i>Items that will not be reclassified to profit or loss:</i> | | | | |
| Net loss on investment in equity instruments designated at FVOCI | (102,095) | (34,462) | (17,552) | (95,657) |
| Total other comprehensive (loss)/income, net of tax | (3,828,994) | (23,451) | (11,796,717) | 1,079,868 |
| Total comprehensive (loss)/income for period | (2,176,881) | 3,531,173 | (8,171,595) | 6,566,937 |
| Total comprehensive (loss)/income attributable to: | | | | |
| Owners of the parent | (2,264,745) | 3,206,105 | (7,932,817) | 6,257,692 |
| Non-controlling interest | 87,864 | 325,068 | (238,778) | 309,245 |
| | (2,176,881) | 3,531,173 | (8,171,595) | 6,566,937 |

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Consolidated Statement of Financial Position

Six-month period ended 30 September 2022

(Expressed in Jamaican dollars unless otherwise indicated)

| | Unaudited as at 30-Sep-22 \$'000 | Unaudited as at 30-Sep-21 \$'000 | Audited as at 31-Mar-22 \$'000 |
|---|---|---|---|
| ASSETS | | | |
| Cash and cash equivalents | 65,330,927 | 65,150,585 | 62,180,345 |
| Interest receivable | 5,699,827 | 5,199,764 | 4,860,486 |
| Income tax recoverable | 406,027 | 671,361 | 492,964 |
| Loans and notes receivable | 161,445,831 | 130,912,653 | 142,712,234 |
| Other receivables | 5,573,942 | 3,494,392 | 7,563,312 |
| Investments and resale agreements | 336,743,355 | 302,366,271 | 334,536,455 |
| Interest in associated company | 38,980,089 | 40,784,854 | 42,783,595 |
| Investment properties | 1,523,681 | 698,932 | 1,227,476 |
| Property, plant and equipment and intangible assets | 7,558,121 | 6,996,821 | 7,044,158 |
| Deferred income tax asset | 13,556,032 | 4,915,429 | 9,883,034 |
| Right-of-use asset | 1,034,535 | 1,286,964 | 1,182,192 |
| | 637,852,367 | 562,478,026 | 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 | (22,501,684) | 5,595,257 | (11,337,082) |
| Cumulative translation reserve | 2,404,419 | 1,332,138 | 2,641,245 |
| Retained earnings | 42,884,540 | 34,084,497 | 39,904,816 |
| | 46,508,254 | 64,732,871 | 54,929,958 |
| Non-controlling interest | 1,494,101 | 1,940,647 | 1,462,088 |
| | 48,002,355 | 66,673,518 | 56,392,046 |
| Liabilities | | | |
| Customer deposits | 161,712,202 | 140,015,744 | 151,846,966 |
| Due to other financial institutions | 14,451,659 | 6,603,115 | 11,789,703 |
| Securities sold under agreements to repurchase | 307,849,268 | 254,396,091 | 298,287,175 |
| Notes payable | 58,972,247 | 49,239,093 | 51,619,130 |
| Lease liabilities | 1,203,002 | 1,450,690 | 1,376,078 |
| Redeemable preference shares | 28,635,030 | 28,147,730 | 28,745,897 |
| Interest payable | 4,513,858 | 2,467,004 | 2,977,387 |
| Income tax payable | 1,790,526 | 2,538,055 | 1,271,872 |
| Other payables | 10,561,693 | 10,623,879 | 10,144,184 |
| Deferred income tax liabilities | 160,527 | 323,107 | 15,813 |
| | 589,850,012 | 495,804,508 | 558,074,205 |
| | 637,852,367 | 562,478,026 | 614,466,251 |

Archibald Campbell
Chairman

Keith P. Duncan
Group Chief Executive Officer

JMMB GROUP LIMITED

Consolidated Statement of Changes in Stockholders' Equity

Six-month period ended 30 September 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 | - | - | - | - | 5,133,267 | 5,133,267 | 353,802 | 5,487,069 |
| Other comprehensive income for period | - | - | 1,032,563 | 91,862 | - | 1,124,425 | (44,557) | 1,079,868 |
| Total comprehensive income for period | - | - | 1,032,563 | 91,862 | 5,133,267 | 6,257,692 | 309,245 | 6,566,937 |
| Paid in capital | - | - | - | - | - | - | 68,355 | 68,355 |
| Dividends paid | - | - | - | - | (1,173,332) | (1,173,332) | - | (1,173,332) |
| Balances at 30 September 2021 (Unaudited) | 14,115,924 | 9,605,055 | 5,595,257 | 1,332,138 | 34,084,497 | 64,732,871 | 1,940,647 | 66,673,518 |
| | | | | | | | | |
| 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 | - | - | - | - | 3,468,612 | 3,468,612 | 156,510 | 3,625,122 |
| Other comprehensive (loss)/income for period | - | - | (11,164,602) | (236,826) | - | (11,401,428) | (395,289) | (11,796,717) |
| Total comprehensive (loss)/income for period | - | - | (11,164,602) | (236,826) | 3,468,612 | (7,932,816) | (238,779) | (8,171,595) |
| Paid in capital | - | - | - | - | - | - | 270,792 | 270,792 |
| Dividends paid | - | - | - | - | (488,888) | (488,888) | - | (488,888) |
| Balances at 30 September 2022 (Unaudited) | 14,115,924 | 9,605,055 | (22,501,684) | 2,404,419 | 42,884,540 | 46,508,254 | 1,494,101 | 48,002,355 |

JMMB GROUP LIMITED

Consolidated Statement of Cash Flows

Six-month period ended 30 September 2022

(Expressed in Jamaican dollars unless otherwise indicated)

| | Unaudited Six Months Ended 30-Sep-22 \$'000 | Unaudited Six Months Ended 30-Sep-21 \$'000 |
|---|---|---|
| Cash Flows from Operating Activities | | |
| Profit for the period | 3,625,122 | 5,487,069 |
| Adjustments for: | | |
| Share of profit of associate | (2,157,126) | (2,077,990) |
| Unrealised gain on trading securities | 173,671 | (78,778) |
| Depreciation and amortisation | 568,040 | 530,854 |
| | <u>2,209,707</u> | <u>3,861,155</u> |
| Changes in operating assets and liabilities | 7,619,795 | 30,272,226 |
| Net cash provided by operating activities | <u>9,829,502</u> | <u>34,133,381</u> |
| | | |
| Cash Flows from Investing Activities | | |
| Investment securities, net | (13,608,327) | (35,549,827) |
| Dividends received | 810,903 | 805,064 |
| Purchase of property, plant and equipment and computer software | (1,229,565) | (903,124) |
| Net cash used in investing activities | <u>(14,026,989)</u> | <u>(35,647,887)</u> |
| | | |
| Cash Flows from Financing Activities | | |
| Notes payable | 7,836,957 | 545,500 |
| Dividends paid | (488,888) | (1,173,332) |
| Net cash provided by/ used in financing activities | <u>7,348,069</u> | <u>(627,832)</u> |
| Net increase/(decrease) in cash and cash equivalents | 3,150,582 | (2,142,338) |
| Cash and cash equivalents at beginning of year | 62,180,345 | 67,292,923 |
| Cash and cash equivalents at end of period | <u>65,330,927</u> | <u>65,150,585</u> |

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Notes to the Financial Statements

Six-month period ended 30 September 2022

(Expressed in Jamaican dollars unless otherwise indicated)

Segment Reporting

| | Six-month period ended 30 September 2022 | | | | |
|------------------------------|--|----------------------------------|-----------|---------------|-------------|
| | Financial & Related Services | Banking & Related Services | Others | Eliminations | Total |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| External revenues | 13,768,865 | 9,337,857 | 120,548 | - | 23,227,270 |
| Intersegment revenue | 5,196,212 | 75,603 | - | (5,271,815) | - |
| Total segment revenue | 18,965,077 | 9,413,460 | 120,548 | (5,271,815) | 23,227,270 |
| Share of profit of associate | | | | | 2,157,126 |
| Profit before tax | 2,458,803 | 1,307,591 | 18,679 | - | 3,785,073 |
| Taxation | | | | | (159,951) |
| Profit for the period | | | | | 3,625,122 |
| Total segment assets | 599,552,427 | 239,818,148 | 3,213,395 | (204,731,603) | 637,852,367 |
| Total segment liabilities | 551,324,025 | 215,180,505 | 2,829,909 | (179,484,427) | 589,850,012 |
| Interest Income | 9,190,829 | 7,297,427 | 8,811 | - | 16,497,067 |
| Operating expenses | 5,498,548 | 4,357,770 | 101,758 | - | 9,958,076 |
| Depreciation & amortisation | 291,380 | 267,663 | 8,997 | - | 568,040 |
| Capital expenditure | 697,067 | 212,458 | 320,040 | - | 1,229,565 |

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Notes to the Financial Statements

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Segment Reporting

| | Six-month period ended 30 September 2021 | | | | |
|------------------------------|--|----------------------------|-----------|---------------|-------------|
| | Financial & Related Services | Banking & Related Services | Others | Eliminations | Total |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| External revenues | 13,646,949 | 7,032,920 | 116,222 | - | 20,796,091 |
| Intersegment revenue | 4,161,535 | 89,961 | - | (4,251,496) | - |
| Total segment revenue | 17,808,484 | 7,122,881 | 116,222 | (4,251,496) | 20,796,091 |
| Share of profit of associate | | | | | 2,077,990 |
| Profit before tax | 5,095,038 | 1,063,833 | 29,009 | - | 6,187,880 |
| Taxation | | | | | (700,811) |
| Profit for the period | | | | | 5,487,069 |
| Total segment assets | 506,056,258 | 212,398,968 | 2,487,055 | (158,464,255) | 562,478,026 |
| Total segment liabilities | 455,323,095 | 179,572,944 | 2,180,818 | (141,272,349) | 495,804,508 |
| Interest Income | 7,448,520 | 5,694,000 | 3,399 | - | 13,145,919 |
| Operating expenses | 5,094,374 | 3,675,364 | 87,085 | - | 8,856,823 |
| Depreciation & amortisation | 247,825 | 273,490 | 9,539 | - | 530,854 |
| Capital expenditure | 394,002 | 218,064 | 291,058 | - | 903,124 |

JMMB GROUP LIMITED

Notes to the Financial Statements

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(Expressed in Jamaican dollars unless otherwise indicated)

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 |

JMMB GROUP LIMITED

Notes to the Financial Statements

Six-month period ended 30 September 2022

(Expressed in Jamaican dollars unless otherwise indicated)

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

Six-month period ended 30 September 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

Six-month period ended 30 September 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\$3,468,611,719 (2021 – J\$5,133,266,570) 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 September 2022, funds managed in this way amounted to J\$185,464,709,825 (2021 – J\$ 179,565,932,393).

5. Comparative Information

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

6. Subsequent Event

On 17 October 2022, JMMB Group Limited finalized the acquisition 100% of the shares of Banco Multiple Bellbank S.A. (BellBank) and on October 24, 2022, its merger with our Saving and loans bank, Banco Rio De Ahorro Y Credito JMMB Bank S.A. BellBank, a commercial banking operation located in Dominican Republic, was acquired at a cost of approximately US\$7.2 million. The merged entity is named Banco Múltiple JMMB Bank, S.A. In July 2022, JMMB Group received initial approval by the local Regulator to proceed with the transaction.

The fair value measurement of the identifiable assets acquired and liabilities assumed (net assets) has not yet been finalized. Management has utilized provision under IFRS 3 – Business Combinations which allows the acquirer reasonable time to obtain information necessary to identify and measure the assets and liabilities. Management expects that this assessment will conclude before March 31, 2023.

JMMB GROUP LIMITED

Share Ownership of the Directors and Executive Team Leaders Period ended 30 September 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 |
| | 28,500,000 | 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 |
| | 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 | 563,000 | 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 September 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% |