

JMMB GROUP LIMITED

Nine Months Highlights

Nine-month period ended 31 December 2022

(Expressed in Jamaican dollars unless otherwise indicated)

DIRECTORS' STATEMENT

PERFORMANCE HIGHLIGHTS

Net Operating Revenue	J\$18.90 billion, down 14%
Net Interest Income	J\$8.44 billion, down 6%
Net Profit	J\$4.76 billion
Earnings per Stock Unit	J\$2.31

The Directors are pleased to announce that the JMMB Group Limited posted net profit of J\$4.76 billion and earnings per share of J\$2.31 for the nine months ended 31 December 2022.

GROUP CEO'S COMMENTARY

Strong Despite Market Conditions

The JMMB Group posted solid net profit of J\$4.8 billion for the period ending December 31, 2022, despite continued adverse market conditions. The Group continues to successfully execute its diversification strategy and has been reaping the benefits of this from strong contributions to growth and profitability outside of Jamaica and its original flagship investments business line.

As a safe and solid publicly-held company, firmly rooted in its core values and commitment to clients, shareholders, team members and all stakeholders, the Group continues to be adequately capitalized and in compliance with all regulators in its operating territories. In the previous quarter, the Group received an upgrade in its Corporate Credit Ratings from Caribbean Information and Credit Rating Services Limited (CariCRIS) to Cari A- on its regional local currency scale. Additionally, the Group continued to deepen its ongoing strategic partnership with IDB Invest, a member of the Inter-American Development Bank Group, having received additional funding during the period for JMMB Bank Jamaica Limited's SME solutions suite.

Diversification Strengthens the Group

As experienced across the industry, the high interest rate operating environment continues to impact the performance of the Group's investments business line in Jamaica and Dominican Republic. The quarter's financial results therefore reflect this impact particularly earnings from gains on securities trading as well as net interest income, which are both core drivers of earnings and which historically combined account for approximately 61% of total revenue.

While the investments business line has been adversely impacted by the macroeconomic environment, the Group's banking business line was the largest revenue contributor, accounting for 52% of net operating revenue, up from 37% in the prior period. In terms of geographic contribution, the Group's regional diversification strategy continued to yield benefits as Trinidad contributed 23% to operating revenue, up from 15% in the prior period. Sagicor Financial Company Limited (SFC) also contributed positively to the Group's profitability with J\$2.12 billion in share of profit.

The JMMB Group remains committed to protecting clients and their goals and is serious about the controls in place to safeguard them which are strengthened on an ongoing basis. Protecting clients' deposits and investments is a top priority for the Group throughout its operations. The Group's online banking platform, *Moneyline*, empowers clients to monitor and manage their solutions. Additionally, system generated statements are emailed and/or mailed directly to

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clients who request physical statements and clients are also able to visit branch locations to request statements at any time.

During the reporting period, the Group launched merchant acquiring solutions for business clients including POS and Scan2Pay solutions developed with technology partner WiPay Jamaica Limited. In the coming quarter, the Group will continue to work on other products and digital solutions aimed at deepening partnership and enhancing the experience of both retail and business clients.

Looking Ahead

In continuing to successfully manage performance within the context of a challenging operating environment, the Group has noted the fairly positive signals proffered by the IMF in its January 2023 World Economic Outlook. The Outlook indicates a marginal improvement in the forecast around economic growth in Latin America and the Caribbean (LAC) as well as globally in 2023. This, coupled with expectations around falling inflation, likely signal that markets will trend towards gradual normalization as central banks ease their monetary policies. Notably, central banks in Jamaica and the Dominican Republic have paused their rate hikes, while the US Federal Reserve Bank has continued to signal further rate hikes at, however, a slower pace. Importantly, the Central Bank of Trinidad and Tobago (CBTT) has not increased interest rates throughout the high global inflation period.

The Group expects to see improved market conditions over time which could see a gradual easing of monetary policy and thus looks forward to eventual normalized levels of performance especially in its Investments Business Line in the medium term.

In the quarter ahead, the Group will continue to focus on “smart growth” through diversification of earning streams, expansion into new geographies and new business lines, while improving efficiency to drive growth and profitability.

GROUP FINANCIAL PERFORMANCE

Net Operating Revenue

The JMMB Group posted net operating revenue of J\$18.90 billion for the nine months ending December 31, 2022, reflecting a decline of 14%. The operating environment remained challenging when compared to the prior period. This stemmed from rising inflation resulting from 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 rates and reduce market liquidity. This had a particularly negative impact on trading gains.

Trading gains fell by 51% to J\$3.49B as, given rising interest rates, investors continued to de-risk resulting in a reduced demand for emerging market assets. Consequently, asset prices fell and trading activity was reduced. This was contrary to the prior period where investor sentiment was high and interest rates were low. Investors were therefore in search of yields and there was high demand for emerging market assets.

Largely, the other major revenue lines increased, in particular, fees and commission income. This was facilitated by increased economic activity as all the Group’s operating territories are in recovery mode. Notably, the Dominican Republic has recovered to pre-pandemic levels. Fees and commission income was 16% higher at J\$4.32 billion as the Group remain dedicated to ensuring that clients meet their financial life goals. Further, clients continue to

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demonstrate confidence in the value of solutions and services as evidenced by the strong growth of 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	8,350,093	44%
Banking & Related Services	9,816,554	52%
Other	731,373	4%
Total	18,898,020	100%

The Banking & Related Services segment contributed J\$9.82 billion or 52% of net operating revenue. This represented a 21% increase over 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\$8.35 billion or 44% of net operating revenue and reflected a decline of 39%. This largely reflected lower trading gains.

Operating Efficiency

Operating expenses moved from J\$13.21 billion to J\$14.68 billion and reflected inflationary increases as well as strategic spend related to longer-term initiatives aimed at improving the posture and positioning of the Group. Thus, operational efficiency moved from 60% to 78%. Nevertheless, the Group will continue to focus on projects aimed at yielding scale and efficiency and thus contribute to long term shareholder value.

Interest in Associated Company

For the quarter ended 31 December 2022, 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 2022, utilising 90 day provision under the Toronto Stock Exchange (TSX). The results for the quarter were thus not available. The Group will therefore, reflect any earnings from SFC in its fourth quarter ended 31 March 2023.

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GROUP FINANCIAL POSITION

Total Assets

At the end of the reporting period, the Group's asset base totalled J\$640.47 billion, up 4% relative to the start of the financial year. This was mainly on account of a larger loan portfolio which grew by 16% to J\$165.98 billion. The credit quality of the loan portfolio continued to be comparable to international standards and the Group continues to maintain enhanced monitoring to mitigate against possible deterioration in credit quality.

Growth in the asset base over the nine-month period was funded in part by increases in customer deposits, repos and multilateral funding. Deposits grew by 8% to J\$163.60 billion, while repos increased 4% to J\$309.66 billion. Further, an additional tranche of funding was received from IDB Invest, a member of the Inter-American Development Bank Group. This funding is earmarked for the SME segment and will improve the capacity of JMMB Bank Jamaica Limited to continue building out its SME solutions suite.

Capital

Company	Regulatory Measure	Minimum Requirement	31-Dec-22
Jamaica Money Market Brokers Limited	Regulatory capital to risk weighted assets ratio	10%	18.09%
JMMB Bank (Ja) Limited	Regulatory capital to risk weighted assets ratio	10%	12.88%
JMMB Bank (T&T) Limited	Regulatory capital to risk weighted assets ratio	10%	14.64%

Over the nine-month period, shareholders' equity decreased by 12% to J\$49.53 billion. Despite posting significant profit since the start of year, this was completely offset by a 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 continue to exceed their regulatory capital requirements. The performance of the major subsidiaries is shown in the table above.

Off-Balance Sheet Funds under Management

The Group continued to execute on its strategy to provide complete, customized financial solutions for each client. This include off-balance sheet products such as pension funds, unit trusts and money market funds. For the period under review, congruent with the decline in asset prices globally, assets in these funds were adversely impacted. Consequently, the total invested in off-balance sheet products as at the end of December 2022 stood at J\$182.84 billion compared to J\$187.38 billion as at end of December 2021.

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The JMMB Group in the Community

JMMB Group remains actively and publicly involved in charitable and voluntary activities within the countries in which it operates. During the last quarter, the Group's efforts were largely focused on educational initiatives, entrepreneurship, transformational training and community outreach.

In **Jamaica**, the JMMB Joan Duncan Foundation (the Foundation) spearheaded and/or partnered with several organizations to undertake transformational projects and community outreach efforts.

The Joan Duncan Foundation provided over J\$750K in financial assistance, towards the Eastern Gazebo Renovation project spearheaded by Nature Preservation Foundation (NPF) at the Hope Royal Botanic Gardens and Hope Zoo. The renovation project is designed to preserve the wide collection of plant species for the purpose of facilitatory research, environmental education, conservation and public recreation spaces.

The Foundation also participated in first community link-up event in Breezy Castle, led by Project Star, a social transformational and renewal programme, undertaken by the Private Sector Organization of Jamaica (PSOJ) in partnership with the Jamaica Constabulary Force (JCF). This event is a part of efforts to build safer, secure, more prosperous communities which will translate into a sustainable reduction in violence and crime. This is in keeping with the Foundation's support of national and transformational initiatives, as evidenced by its committed of J\$20M towards Project Star.

Through its Share the Love initiative, the JMMB Joan Duncan Foundation distributed 3,000 care packages, valued at J\$16.2M, to the elderly, disabled, and other vulnerable individuals affected by food insecurity across the island. This initiative was done in partnership with 30 charities and organizations, to mark the Group's 30th anniversary.

In addition, the Foundation continues to provide hundreds of individuals and voluntary organizations, who are beneficiaries of the Foundation with transformational training via its Conversations for Greatness app. Furthermore, the Foundation alongside the wider team continues to support a range of community outreach efforts, including the St. Ann Municipal Corporation and United Pentecostal Church.

The team in the **Dominican Republic** focused its corporate social responsibility efforts on entrepreneurial activities and community outreach. JMMB remains committed to its partnership with UNPHU Emprede, the Entrepreneur division of the Universidad Nacional Pedro Henriquez Ureña; providing support and financial advisory services to the entrepreneurs in the programme.

The JMMB team continues to support the nutritional and educational needs of the orphaned children of the Casa Hogar Madelaes and Casa Nuestra Sra. De la Altagracia. Also, the team brought 'good tidings', during the Christmas holidays, by joining forces with Don Bosco for an initiative dubbed, "Christmas Lunch for "chiriperos" Children. On the occasion, the JMMB provided the children with toys and meals, as part of the celebration of the Yuletide season.

Over the period, the Corporate Social Responsibility (CSR) committee in **Trinidad & Tobago**, undertook largely education-related projects and community outreach activities. The JMMB team sponsored literacy programmes for children in need. Additionally, the team provided refurbished desktops to the Guaico Pastoral Region for primary schools within the community, in a bid to improve access to technology and enhance the teaching and learning experience. Also, in the true spirit of Christmas, the CSR team also catered to the needs of the less fortunate through the donation of blankets to several children's home over the period and sponsored meal packages for homeless families, in partnership with a religious organization.

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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 31 December 2022

(Expressed in Jamaican dollars unless otherwise indicated)

	Unaudited Three Months Ended 31-Dec-22 \$000	Unaudited Three Months Ended 31-Dec-21 \$000	Unaudited Nine Months Ended 31-Dec-22 \$000	Unaudited Nine Months Ended 31-Dec-21 \$000
Net Interest Income and Other Revenue				
Interest income	9,288,700	7,512,136	25,785,767	20,658,055
Interest expense	(6,551,334)	(4,350,190)	(17,348,926)	(11,677,135)
Net Interest Income	2,737,366	3,161,946	8,436,841	8,980,920
Fees and commissions income	1,186,662	1,213,466	4,322,065	3,730,922
Gain on securities trading, net	1,648,895	3,272,998	3,489,702	7,154,192
Foreign exchange margins from cambio trading	850,807	777,329	2,472,353	1,999,265
Dividends	81,250	89,818	177,059	115,629
Operating Revenue Net of Interest Expense	6,504,980	8,515,557	18,898,020	21,980,928
Operating expenses	(4,723,288)	(4,384,808)	(14,681,364)	(13,241,631)
Operating Profit	1,781,692	4,130,748	4,216,656	8,739,296
Other income	(11,319)	10,624	25,319	14,399
	1,770,373	4,141,372	4,241,975	8,753,696
Impairment loss on financial assets	(594,911)	(258,703)	(1,438,566)	(761,136)
Share of profit of associate	-	-	2,157,126	2,077,990
Profit before Taxation	1,175,462	3,882,670	4,960,535	10,070,550
Taxation	(37,616)	(546,742)	(197,567)	(1,247,553)
Profit for the Period	1,137,846	3,335,928	4,762,968	8,822,997
Attributable to:				
Equity holders of the parent	1,057,044	3,147,168	4,525,656	8,280,435
Non-controlling interest	80,802	188,760	237,312	542,562
	1,137,846	3,335,928	4,762,968	8,822,997
Earnings per stock unit (Note 3)	0.54	\$1.61	\$2.31	\$4.23

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Consolidated Statement of Comprehensive Income

Period ended 31 December 2022

(Expressed in Jamaican dollars unless otherwise indicated)

	Unaudited Three Months Ended 31-Dec-22 \$000	Unaudited Three Months Ended 31-Dec-21 \$000	Unaudited Nine Months Ended 31-Dec-22 \$000	Unaudited Nine Months Ended 31-Dec-21 \$000
Profit for the Period	1,137,846	3,335,928	4,762,968	8,822,997
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	1,773,472	(5,309,621)	(9,539,203)	(3,950,233)
Foreign exchange translation differences on translation of foreign subsidiaries	(1,103,720)	960,217	(1,570,210)	763,398
<i>Items that will not be reclassified to profit or loss:</i>				
Net (loss)/gain on investment in equity instruments designated at FVOCI	(143,416)	27,021	(160,968)	(68,636)
Total other comprehensive income/(loss), net of tax	526,336	(4,322,383)	(11,270,381)	(3,255,471)
Total comprehensive income/(loss) for period	1,664,182	(986,455)	(6,507,413)	5,567,526
Total comprehensive income/(loss) attributable to:				
Owners of the parent	1,432,670	(899,895)	(6,500,147)	5,344,841
Non-controlling interest	231,512	(86,560)	(7,266)	222,685
	1,664,182	(986,455)	(6,507,413)	5,567,526

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Consolidated Statement of Financial Position

As at 31 December 2022

(Expressed in Jamaican dollars unless otherwise indicated)

	Unaudited as at 31-Dec-22 \$'000	Unaudited as at 31-Dec-21 \$'000	Audited as at 31-Mar-22 \$'000
ASSETS			
Cash and cash equivalents	64,521,564	72,408,130	62,180,345
Interest receivable	5,939,720	5,552,681	4,860,486
Income tax recoverable	230,660	585,242	492,964
Loans and notes receivable	165,979,188	137,741,615	142,712,234
Other receivables	3,589,303	6,288,347	7,563,312
Investments and resale agreements	339,639,168	327,864,324	334,536,455
Interest in associated company	36,530,275	42,764,968	42,783,595
Investment properties	2,300,633	803,823	1,227,476
Property, plant and equipment and intangible assets	7,833,615	7,030,832	7,044,158
Deferred income tax asset	12,965,407	6,730,511	9,883,034
Right-of-use asset	936,686	1,248,937	1,182,192
	640,466,219	609,019,410	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	(21,124,931)	625,604	(11,337,082)
Cumulative translation reserve	1,403,290	2,241,772	2,641,245
Retained earnings	43,941,584	37,231,665	39,904,816
	47,940,922	63,820,020	54,929,958
Non-controlling interest	1,591,448	1,854,087	1,462,088
	49,532,370	65,674,107	56,392,046
Liabilities			
Customer deposits	163,600,761	150,455,403	151,846,966
Due to other financial institutions	14,884,980	12,311,260	11,789,703
Securities sold under agreements to repurchase	309,662,872	280,063,743	298,287,175
Notes payable	55,805,266	51,877,085	51,619,130
Lease liabilities	1,117,335	1,437,165	1,376,078
Redeemable preference shares	28,548,226	28,798,323	28,745,897
Interest payable	4,738,132	3,128,807	2,977,387
Income tax payable	1,830,603	3,161,330	1,271,872
Other payables	10,561,639	11,671,278	10,144,184
Deferred income tax liabilities	184,035	440,909	15,813
	590,933,849	543,345,303	558,074,205
	640,466,219	609,019,410	614,466,251

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 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
Changes on initial application of IFRS 9 (note 2)	-	-	-	-	-	-	-	-
Balances at April 1, 2019 (Unaudited)	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	-	-	-	-	8,280,435	8,280,435	542,562	8,822,997
Other comprehensive (loss)/income for period	-	-	(3,937,090)	1,001,496	-	(2,935,594)	(319,877)	(3,255,471)
Total comprehensive income for period	-	-	(3,937,090)	1,001,496	8,280,435	5,344,841	222,685	5,567,526
Paid in capital	-	-	-	-	-	-	68,355	68,355
Dividends paid	-	-	-	-	(1,173,332)	(1,173,332)	-	(1,173,332)
Balances at 31 December 2021 (unaudited)	14,115,924	9,605,055	625,604	2,241,772	37,231,665	63,820,020	1,854,087	65,674,107
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	-	-	-	-	4,525,656	4,525,656	237,312	4,762,968
Other comprehensive loss for period	-	-	(9,787,849)	(1,237,955)	-	(11,025,804)	(244,578)	(11,270,382)
Total comprehensive (loss)/income for period	-	-	(9,787,849)	(1,237,955)	4,525,656	(6,500,148)	(7,266)	(6,507,414)
Paid in capital	-	-	-	-	-	-	270,792	270,792
Dividends paid	-	-	-	-	(488,888)	(488,888)	(134,166)	(623,054)
Balances at 31 December 2022 (unaudited)	14,115,924	9,605,055	(21,124,931)	1,403,290	43,941,584	47,940,922	1,591,448	49,532,370

JMMB GROUP LIMITED

Consolidated Statement of Cash Flows

Nine-month period ended 31 December 2022

(Expressed in Jamaican dollars unless otherwise indicated)

	Unaudited Nine Months Ended 31-Dec-22 \$'000	Unaudited Nine Months Ended 31-Dec-21 \$'000
Cash Flows from Operating Activities		
Profit for the period	4,762,968	8,822,997
Adjustments for:		
Share of profit of associate	(2,157,126)	(2,077,990)
Unrealised gain on trading securities	(220,354)	(59,704)
Depreciation and amortisation	841,669	848,725
	<u>3,227,157</u>	<u>7,534,028</u>
Changes in operating assets and liabilities	8,702,080	63,008,658
Net cash provided by operating activities	<u>11,929,237</u>	<u>70,542,686</u>
Cash Flows from Investing Activities		
Investment securities, net	(16,128,516)	(65,107,898)
Dividends received	1,255,985	935,189
Purchase of property, plant and equipment and computer software	(1,929,390)	(1,281,331)
Net cash used in investing activities	<u>(16,801,921)</u>	<u>(65,454,040)</u>
Cash Flows from Financing Activities		
Notes payable	7,836,957	1,199,893
Dividends paid	(623,054)	(1,173,332)
Net cash provided by financing activities	<u>7,213,903</u>	<u>26,561</u>
Net increase in cash and cash equivalents	<u>2,341,219</u>	<u>5,115,207</u>
Cash and cash equivalents at beginning of year	<u>62,180,345</u>	<u>67,292,923</u>
Cash and cash equivalents at end of period	<u>64,521,564</u>	<u>72,408,130</u>

JMMB GROUP LIMITED

Notes to the Financial Statements

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Segment Reporting

	Nine-month period ended 31 December 2022				
	Financial & Related Services	Banking & Related Services	Others	Eliminations	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
External revenues	21,480,306	14,061,351	730,608	-	36,272,265
Intersegment revenue	9,094,699	102,419	-	(9,197,118)	-
Total segment revenue	30,575,005	14,163,770	730,608	(9,197,118)	36,272,265
Share of profit of associate					2,157,126
Profit before tax	2,334,023	2,051,295	575,217	-	4,960,535
Taxation					(197,567)
Profit for the period					4,762,968
Total segment assets	602,347,381	245,745,722	3,990,223	(211,617,107)	640,466,219
Total segment liabilities	548,483,737	219,385,815	3,056,308	(179,992,011)	590,933,849
Interest Income	14,709,514	11,062,933	13,320	-	25,785,767
Operating expenses	8,244,325	6,283,350	153,689	-	14,681,364
Depreciation & amortisation	443,610	384,510	13,549	-	841,669
Capital expenditure	1,027,508	340,904	560,978	-	1,929,390

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Segment Reporting

	Nine-month period ended 31 December 2021				
	Financial & Related Services	Banking & Related Services	Others	Eliminations	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
External revenues	22,335,100	11,160,826	176,536	-	33,672,462
Intersegment revenue	6,098,197	175,068	-	(6,273,265)	-
Total segment revenue	28,433,297	11,335,894	176,536	(6,273,265)	33,672,462
Share of profit of associate					2,077,990
Profit before tax	7,992,239	2,037,359	40,952	-	10,070,550
Taxation					(1,247,553)
Profit for the period					8,822,997
Total segment assets	539,367,210	233,746,158	2,619,666	(166,713,624)	609,019,410
Total segment liabilities	481,190,704	211,079,998	2,307,961	(151,233,360)	543,345,303
Interest Income	11,731,927	8,920,510	5,618	-	20,658,055
Operating expenses	7,686,455	5,421,207	133,969	-	13,241,631
Depreciation & amortisation	484,584	350,397	13,744	-	848,725
Capital expenditure	605,731	267,973	407,627	-	1,281,331

JMMB GROUP LIMITED

Notes to the Financial Statements

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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

JMMB GROUP LIMITED

Notes to the Financial Statements

Nine-month period ended 31 December 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

Nine-month period ended 31 December 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

Nine-month period ended 31 December 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\$4,525,656,405 (2021 – J\$8,280,434,912) 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 31 December 2022, funds managed in this way amounted to J\$182,842,762,611 (2021 – J\$187,381,872,106).

5. Comparative Information

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

6. Business Acquisition

In July 2022, JMMB Group Limited received formal approval by the local Regulator for the acquisition of 100% of the shares of Banco Multiple Bellbank S.A. (BellBank), and on 24 October, 2022, its merger with our savings 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.

The assets and liabilities of the acquired entity has not been consolidated as at 31 December 2022 as the Group is awaiting final approval from the local Regulator arising from its inspection of the merged entity.

The fair value measurement of the identifiable assets acquired and liabilities assumed (net assets) has not yet been finalized. Management has utilized the 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 31 December 2022

Directors	Ordinary Shareholding	Connected Parties
Donna Duncan-Scott	7,678,110	ESOP
	34,761,950	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
	28,540,838	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
Executive Team Leaders	Ordinary Shareholding	Connected Parties
Donna Duncan-Scott	7,678,110	ESOP
	34,761,950	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
	27,300	Toni-Ann & Teverly Gray
Julian Mair	239,711	ESOP
Patrick Ellis	239,872	ESOP
Janet Patrick	854,461	ESOP
	64,832	
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 31 December 2022

Name of Shareholder	Number of Shares	Percentage Ownership
PROVEN GROUP LIMITED	391,310,525	20.010%
TRUSTEES JMMB ESOP	183,058,974	9.361%
NATIONAL INSURANCE FUND	108,231,640	5.535%
COLONIAL LIFE INSURANCE CO (TRINIDAD) LTD	88,453,776	4.523%
PANJAM INVESTMENTS LIMITED	55,700,921	2.848%
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	42,189,106	2.157%
JVF E.I. LTD	40,311,674	2.061%
Total	1,056,167,524	54.01%