

JMMB GROUP LIMITED

Nine Months Highlights

Nine-month period ended 31 December 2023

(Expressed in Jamaican dollars unless otherwise indicated)

DIRECTORS' STATEMENT

PERFORMANCE HIGHLIGHTS

Net Operating Revenue	J\$17.60 billion
Net Interest Income	J\$6.39 billion
Net Profit	J\$17 billion
Earnings per Stock Unit	J\$8.54

The Directors are pleased to announce that the JMMB Group Limited posted net profit of J\$17 billion and earnings per share of J\$8.54 for the nine months ended 31 December 2023. Buoyed by a material one-off occurrence, the Group's investment in Sagicor Financial Company (SFC) contributed J\$16 billion to the Group in share of profit over the 9-month period.

GROUP CEO'S COMMENTARY

JMMB Group remains resilient during a challenging operating environment.

The JMMB Group has demonstrated resilience in navigating the difficult operating landscape. Despite facing headwinds stemming from prolonged tight monetary policies, we have remained steadfast in our commitment to delivering sustainable value to our stakeholders.

We are pleased to report that the JMMB Group has achieved solid financial results in the third quarter of the financial year. Year to date performance stands at J\$17B, underscoring the effectiveness of the Group's diversification strategy.

For the quarter ending December 31, 2023, the JMMB Group posted net profit of J\$15.1B amidst the continued impact of high interest rates on our Banking and Investment business lines. As a result of elevated interest rates persistent in the market, we experienced margin compression in both our Banking and Investment banking lines. The high interest rates would also continue to limit our opportunities for trading gains having a material impact on our Investment business line. Notably, our Banking business line continues to perform credibly notwithstanding the challenges. Nevertheless, we have taken steps to cushion the impact and will accelerate our "smart growth" initiatives aimed at positioning the Group for long-term sustainable profitability. In the third quarter, the Group would have realized significant gains from SFC's acquisition of ivari Holdings, an individual life insurance company based in Canada. This underscores the efficacy and soundness of the diversification strategy of the JMMB Group.

During the quarter, the Group continued to maintain adequate regulatory capital requirements for each operating territory to ensure sustainability of the business. The Group continues to maintain the confidence of international rating agencies and that of its multilateral funding partners, IDB Invest.

Strategic Shifts to Drive Sustainable Profitability and Productivity

The Group is in the process of taking steps that will, in the medium term, result in an increase in yields on assets, lead to a reduction of its cost of funds and improving the efficiency of its operating model. Notably, the Group will accelerate growth in non-interest income revenue streams which will ultimately lead to improved levels of sustained profitability. Our team will continue to look for opportunities to internally extract greater value potential from our entities and position ourselves to capitalize on the tailwinds that may emerge.

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Suite of Digital Solutions Being Rolled Out to Deepen Client Partnership

The Group has continued its thrust to make available solutions that will enhance the experience of clients doing business with JMMB. The Group has now ramped up its marketing and delivery of its Money Transfer Visa Prepaid Card solution, which allows clients to receive remittances seamlessly and conduct business online or at any Visa accepted Point of Sale machine. The team has also successfully delivered the long-awaited Business Visa Debit Card which will enable a more enriched client experience and ease of doing business for our business clients.

The Group is ready to roll out its Mobile App that will enrich the lives of clients as they interact with us. The Mobile App has now received all the requisite approvals and will be made available to the public on February 15, 2024. We are truly grateful for the commitment of clients as they have patiently awaited the delivery of this solution.

In addition to the Mobile App, we will continue to deepen our digital capabilities to improve client experience and improve the efficiency of our operations and one such solution that will allow us to do that is our Digital Onboarding Solution. The plan is to have Digital onboarding available in the branches by the end of February and online by the end of March.

Market Expansion through Barbados entrance

On October 12, 2023, we received approval from the Barbados Financial Services Commission to operate JMMB International Limited as a securities company, dealer and underwriter. As the JMMB Group continues to pursue its geographic diversification strategy, the entrance in Barbados will see us offering customized integrated solutions, tailored to match the unique needs of clients. We offer and will continue to build out a holistic approach to supporting clients' growth whilst partnering with them through their financial life cycle in a way that is easy, enjoyable, empowering and in their best interest.

Looking Ahead

Looking ahead, we acknowledge the prevailing uncertainties and challenges in the global economy, however, remain confident in our ability to navigate through these challenges and capitalize on emerging opportunities. We will continue to leverage our strengths, deepen our digital capabilities, improve client experience, and accelerate our smart growth strategic initiatives to generate sustainable medium-long term risk adjusted returns for our stakeholders. We will uphold our commitment to excellence as we pursue sustainable growth and value creation.

In conclusion, we would like to express sincere gratitude to our shareholders, stakeholders, and team members for their unwavering support and dedication. Together, we have achieved significant milestones and positioned JMMB Group for continued success in the years to come.

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GROUP FINANCIAL PERFORMANCE

Net Operating Revenue

The Group posted net operating revenue of J\$17.60 billion for the nine months ended December 31, 2023, reflecting a decline of 7%. This was within the context of a challenging operating environment as global interest rates are much higher than the prior period. This especially impacted margins and consequently, net interest income declined by 24% to J\$6.39 billion. Further, market sentiment impacted fees and commission income as well as FX trading gains, these were 10% lower at J\$3.89 billion and 18% lower at J\$2.03 billion, respectively. Otherwise, clients continue to demonstrate confidence in the value of solutions and services as evidenced by the strong growth of the loan and investment portfolios.

Whilst the market condition is not conducive to significant trading gains as regular trading activities remained low, the Group continued to execute the strategy of identifying and successfully executing trading opportunities. Further, the monetary policy direction was reversed in the Dominican Republic to an expansionary stance. This was evidenced by five policy rate cuts during the period and resulted in higher levels of trading. Thus, trading gains were 43% higher at J\$5 billion.

Segment Contribution

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

Net Operating Revenue	J\$'000	Contribution (%)
Financial & Related Services	6,630,939	38%
Banking & Related Services	10,575,293	60%
Other	392,814	2%
Total	17,599,046	100%

The Banking & Related Services segment contributed J\$10.6 billion which was 60% of operating revenue. This represented an 8% growth when compared to the prior period on account of strong growth in the loan book.

The Financial and Related Services segment contributed J\$6.6 billion or 38% of net operating revenue and reflected a decline of 21% compared to prior period. This largely reflected rising interest rates and the attendant market condition.

Operating Efficiency

Operating expenses increased from J\$14.68 billion to J\$16.48 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 78% to 94%. Nevertheless, the Group will continue to focus on projects aimed at yielding scale and efficiency and thus contribute to long term shareholder value.

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Interest in Associated Company

For the quarter ended 31 December 2023, Sagicor Financial Company Limited (SFC) opted to publish its audited results for the year ended 31 December 2023, utilizing the 90-day provision under the Toronto Stock Exchange (TSX). The audited results for the quarter were thus not available.

On 3 October 2023, (SFC) completed its acquisition of 100% equity stake in Ivori Holdings, a mid-size insurance company in Canada for a consideration of C\$375 million. A formal Business Acquisition Report (BAR) was filed with the Toronto Stock Exchange (TSX) on 14 December 2023, which highlighted a bargain purchase gain of US\$434.7 million of which 23.44% or J\$14.6 billion accrued to JMMB Group. This one-off gain has been included in the quarterly results utilizing the BAR report that was filed with the Toronto Stock Exchange (TSX).

The bargain purchase gain arising from the purchase price allocation is preliminary and therefore may be subject to change arising from SFC audit of its financial statements for the year ended 31 December 2023. The Group will therefore reflect any additional results from SFC in its fourth quarter ended 31 March 2024 on the release of SFC's audited results.

These results reflect the adoption of IFRS 17 – Insurance Contracts, which the Group adopted April 1, 2023. Given that SFC adopted a retrospective approach, the prior year's financial result was restated and reflected a share of loss of J\$2.6 billion (Note 7).

GROUP FINANCIAL POSITION

Total Assets

At the end of the reporting period, the Group's asset base totalled J\$726 billion, up 10% relative to the start of the financial year. This was due in part to a larger loan portfolio which grew by 14% to J\$202.7 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. Further, there was a 6% increase in the investment portfolio at J\$365.7 billion.

Growth in the asset base over the nine-month period was primarily funded by an increase in customer deposits and notes payable. Deposits grew by 13% to J\$195.4 billion, while notes payable increased by 25% to J\$83.7 billion.

Capital

Company	Regulatory Measure	Minimum Requirement	31-Dec-23
Jamaica Money Market Brokers Limited	Regulatory capital to risk weighted assets ratio	10%	16.91%
JMMB Bank (Ja) Limited	Regulatory capital to risk weighted assets ratio	10%	12.51%
JMMB Bank (T&T) Limited	Regulatory capital to risk weighted assets ratio	10%	13.73%

Over the nine-month period, shareholders' equity increased by 47% to J\$72.8 billion. This was on account of increased net profit and recovery on asset prices on investment revaluation reserves. Thus, the Group continues to be adequately capitalized and all

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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 includes 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. Nevertheless, the total invested in off-balance sheet products as at the end of December 2023 stood at J\$187.4 billion compared to J\$182.8 billion as at 31 December 2022.

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The JMMB Group in the Community

JMMB Group remains committed to being actively and publicly involved in charitable and voluntary activities within the society, as a socially responsible company. As such, JMMB Group undertook a range of initiatives that were largely focused on entrepreneurship, educational development, transformational training and community outreach.

In **Jamaica**, JMMB Joan Duncan Foundation led philanthropic efforts geared towards educational development, transformational initiatives and outreach programmes for the most vulnerable. The Foundation partnered with GraceKennedy Foundation, donating J\$1 million to the GraceKennedy Campus Connect Food Bank initiative. This initiative is designed to alleviate the hunger of over 250 vulnerable students and reduce food insecurity across corporate area university campuses.

As it relates to transformational initiatives, the Foundation made an investment of J\$400,000 in the Franklyn Town Community Development Project, a sports development programme. This initiative is designed to empower at-risk young men to make positive and healthy lifestyle choices. It also helps these young men to develop life skills by creating socio-economic opportunities, reducing violence and crime as well as by promoting a sense of community. In further extending its impact to the community, the Foundation made several donations to improve the capacity building of organizations such as the Jamaica Cancer Society, in a bid to reduce cancer-related deaths and make testing more accessible.

Further, JMMB Joan Duncan Foundation bolstered the mission of the For the Child Foster Care Programme, a privately run programme, under Family Life Ministries, with a donation of J\$1 million. This donation supports foster parents by providing assistance for psycho-social support, psycho-educational assessments, language and speech interventions and other planned activities for the children. Additionally, the Foundation spearheaded its annual 'Share the Love' initiative in the Yuletide season, joining hands and hearts with several organizations, to provide approximately 3000 food packages valued at J\$16.2 million, to the less fortunate.

In the **Dominican Republic**, corporate social responsibility efforts remain focused on entrepreneurial activities and community outreach. JMMB continued its longstanding partnership with UNPHU Emprende, the Entrepreneur division of the Universidad Nacional Pedro Henriquez Ureña. This is designed to support youth entrepreneurship by providing funding and financial advisory services to the entrepreneurs in that programme. Additionally, JMMB provided training and financial solutions to the centre's clients and conducted personal finance sessions for UNPHU employees, to build financial literacy. As part of its community outreach efforts, the team also made donations to Madelaes and La Altagracia children's homes. This donation offset the cost of catering to the nutritional and educational needs of these children.

In **Trinidad & Tobago**, the Corporate Social Responsibility committee spearheaded several community outreach activities catering to the socio-economic needs of youth and other vulnerable individuals. This saw the JMMB team providing funding to several children's homes and churches to support their mandate of catering to the needs of the less fortunate and improve their capacity. Additionally, in the true spirit of the season, the JMMB team also donated towards special Christmas meals for the students at Santa Cruz Presbyterian School.

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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

Nine-month period ended 31 December 2023

(Expressed in Jamaican dollars unless otherwise indicated)

	Unaudited Three Months Ended 31-Dec-23 \$000	Restated Unaudited Three Months Ended 31-Dec-22 \$000	Unaudited Nine Months Ended 31-Dec-23 \$000	Restated Unaudited Nine Months Ended 31-Dec-22 \$000
Net Interest Income and Other Revenue				
Interest income	10,199,820	9,288,700	29,731,794	25,785,767
Interest expense	(7,964,865)	(6,551,334)	(23,342,675)	(17,348,926)
Net Interest Income	2,234,955	2,737,366	6,389,119	8,436,841
Fees and commissions income	1,159,334	1,186,662	3,893,158	4,322,065
Gain on securities trading, net	1,677,565	1,648,895	5,005,322	3,489,702
Foreign exchange margins from cambio trading	689,770	850,807	2,032,180	2,472,353
Dividends	135,922	81,250	279,267	177,059
Operating Revenue Net of Interest Expense	5,897,546	6,504,980	17,599,046	18,898,020
Operating expenses	(5,514,136)	(4,723,288)	(16,475,699)	(14,681,364)
Operating Profit	383,410	1,781,692	1,123,347	4,216,656
Other income/ (loss)	34,616	(11,319)	58,529	25,319
	418,026	1,770,373	1,181,876	4,241,975
Impairment loss on financial assets	(551,144)	(594,911)	(1,614,446)	(1,438,566)
Share of profit/(loss) of associate (Note 3)	14,645,714	2,916,843	16,257,023	(2,613,621)
Profit/(loss) before Taxation	14,512,596	4,092,305	15,824,453	189,788
Taxation	562,026	(37,616)	1,167,589	(197,567)
Profit/(loss) for the Period	15,074,622	4,054,689	16,992,042	(7,779)
Attributable to:				
Equity holders of the parent	14,898,096	3,973,887	16,708,907	(245,091)
Non-controlling interest	176,526	80,802	283,135	237,312
	15,074,622	4,054,689	16,992,042	(7,779)
Earnings per stock unit (Note 4)	\$7.62	2.03	\$8.54	(\$0.13)

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Consolidated Statement of Comprehensive Income

Nine-month period ended 31 December 2023

(Expressed in Jamaican dollars unless otherwise indicated)

	Unaudited Three Months Ended 31-Dec-23 \$000	(Restated) Unaudited Three Months Ended 31-Dec-22 \$000	Unaudited Nine Months Ended 31-Dec-23 \$000	(Restated) Unaudited Nine Months Ended 31-Dec-22 \$000
Profit/(loss) for the Period	15,074,622	4,054,689	16,992,042	(7,779)
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	6,595,490	1,773,472	5,882,656	(5,992,050)
Foreign exchange translation differences on translation of foreign subsidiaries	(443,309)	(1,103,720)	211,042	(1,570,210)
<i>Items that will not be reclassified to profit or loss:</i>				
Net gain/(loss) on investment in equity instruments designated at FVOCI	291,654	(143,416)	894,027	(160,968)
Total other comprehensive income/(loss), net of tax	6,443,835	526,336	6,987,725	(7,723,228)
Total comprehensive income/(loss) for period	21,518,457	4,581,025	23,979,767	(7,731,007)
Total comprehensive income/(loss) attributable to:				
Owners of the parent	21,267,257	4,349,513	23,197,547	(7,723,741)
Non-controlling interest	251,200	231,512	782,220	(7,266)
	21,518,457	4,581,025	23,979,767	(7,731,007)

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Consolidated Statement of Financial Position

As at 31 December 2023

(Expressed in Jamaican dollars unless otherwise indicated)

	Unaudited as at 31-Dec-23 \$'000	(Restated) Unaudited as at 31-Dec-22 \$'000	(Restated) Unaudited as at 1-Apr-23 \$'000
ASSETS			
Cash and cash equivalents	61,986,297	64,521,564	59,740,897
Interest receivable	5,661,572	5,939,720	5,923,575
Income tax recoverable	209,395	230,660	538,608
Loans and notes receivable	202,688,478	165,979,188	177,976,354
Other receivables	11,366,235	3,589,303	7,696,847
Investments and resale agreements	365,740,549	339,639,168	346,667,273
Interest in associated company	51,007,160	35,306,682	35,385,270
Investment properties	2,960,425	2,300,633	2,635,310
Property, plant and equipment and intangible assets	8,540,526	7,833,615	8,302,715
Deferred income tax asset	15,145,176	12,965,407	14,624,907
Right-of-use asset	666,387	936,686	858,124
	725,972,200	639,242,626	660,349,880
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	(10,511,855)	(17,577,777)	(16,725,133)
Cumulative translation reserve	1,993,877	1,403,290	1,718,515
Retained earnings	55,840,082	39,170,837	39,620,063
	71,043,083	46,717,329	48,334,424
Non-controlling interest	1,731,557	1,591,448	1,027,268
	72,774,640	48,308,777	49,361,692
Liabilities			
Customer deposits	195,444,270	163,600,761	173,102,022
Due to other financial institutions	13,472,157	14,884,980	14,160,608
Securities sold under agreements to repurchase	315,094,112	309,662,872	317,683,671
Notes payable	83,714,353	55,805,266	62,110,033
Lease liabilities	816,434	1,117,335	1,011,332
Redeemable preference shares	28,828,403	28,548,226	28,499,239
Interest payable	5,731,430	4,738,132	4,871,550
Income tax payable	914,926	1,830,603	1,315,361
Other payables	9,125,119	10,561,639	8,216,974
Deferred income tax liabilities	56,356	184,035	17,398
	653,197,560	590,933,849	610,988,188
	725,972,200	639,242,626	660,349,880

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 2023

(Expressed in Jamaican dollars unless otherwise indicated)

	Share Capital	Retained Earnings Reserve	Investment Revaluation Reserve (Restated)	Cumulative Translation Reserve	Retained Earnings (Restated)	Attributable to holders of the Parent	Non-Controlling Interest	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
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
Loss for the period restated	-	-	-	-	(245,091)	(245,091)	237,312	(7,779)
Other comprehensive loss for period	-	-	(6,240,695)	(1,237,955)	-	(7,478,650)	(244,578)	(7,723,228)
Total comprehensive income/(loss) for period	-	-	(6,240,695)	(1,237,955)	(245,091)	(7,723,741)	(7,266)	(7,731,007)
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	(17,577,777)	1,403,290	39,170,837	46,717,329	1,591,448	48,308,777
Balances at March 31, 2023 (Audited)	14,115,924	9,605,055	(16,882,314)	1,718,515	44,775,811	53,332,991	1,027,268	54,360,259
Changes on associate company's application of IFRS 17	-	-	157,181	-	(5,155,748)	(4,998,567)	-	(4,998,567)
Balances at April 1, 2023 (Unaudited)	14,115,924	9,605,055	(16,725,133)	1,718,515	39,620,063	48,334,424	1,027,268	49,361,692
Profit for the period	-	-	-	-	16,708,907	16,708,907	283,135	16,992,042
Other comprehensive income for period	-	-	6,213,278	275,362	-	6,488,640	499,085	6,987,725
Total comprehensive income for period	-	-	6,213,278	275,362	16,708,907	23,197,547	782,220	23,979,767
Dividends paid	-	-	-	-	(488,888)	(488,888)	(77,931)	(566,819)
Balances at 31 December 2023 (unaudited)	14,115,924	9,605,055	(10,511,855)	1,993,877	55,840,082	71,043,083	1,731,557	72,774,640

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Consolidated Statement of Cash Flows

Nine-month period ended 31 December 2023

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	Unaudited Nine Months Ended 31-Dec-23 \$'000	(Restated) Unaudited Nine Months Ended 31-Dec-22 \$'000
Cash Flows from Operating Activities		
Profit/(loss) for the period	16,992,042	(7,779)
Adjustments for:		
Share of (profit)/loss of associate	(16,257,023)	2,613,621
Unrealised gain on trading securities	(1,626,942)	(220,354)
Depreciation and amortisation	885,141	841,669
	(6,782)	3,227,157
Changes in operating assets and liabilities	(3,459,944)	8,702,080
Net cash (used in)/provided by operating activities	(3,466,726)	11,929,237
Cash Flows from Investing Activities		
Investment securities, net	(12,584,636)	(16,128,516)
Dividends received	1,377,270	1,255,985
Purchase of property, plant and equipment and computer software	(1,026,089)	(1,929,390)
Net cash used in investing activities	(12,233,455)	(16,801,921)
Cash Flows from Financing Activities		
Notes payable	18,512,400	7,836,957
Dividends paid	(566,819)	(623,054)
Net cash provided by financing activities	17,945,581	7,213,903
Net increase in cash and cash equivalents	2,245,400	2,341,219
Cash and cash equivalents at beginning of year	59,740,897	62,180,345
Cash and cash equivalents at end of period	61,986,297	64,521,564

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Notes to the Financial Statements

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Segment Reporting

	Nine-month period ended 31 December 2023				
	Financial & Related Services	Banking & Related Services	Others	Eliminations	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
External revenues	22,756,703	17,849,566	393,981	-	41,000,250
Intersegment revenue	9,607,435	188,347	-	(9,795,782)	-
Total segment revenue	32,364,138	18,037,913	393,981	(9,795,782)	41,000,250
Share of profit of associate					16,257,023
Profit before tax	14,124,904	1,473,641	225,908	-	15,824,453
Taxation					1,167,589
Profit for the period					16,992,042
Total segment assets	651,326,878	277,257,260	4,445,790	(207,057,728)	725,972,200
Total segment liabilities	552,621,548	247,575,682	3,316,606	(150,316,276)	653,197,560
Interest Income	14,670,296	15,032,282	29,216	-	29,731,794
Operating expenses	8,599,718	7,706,013	169,968	-	16,475,699
Depreciation & amortisation	463,573	408,462	13,106	-	885,141
Capital expenditure	517,447	287,615	221,027	-	1,026,089

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Segment Reporting

	Nine-month period ended 31 December 2022 (Restated)				
	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 loss of associate					(2,613,621)
Profit before tax	(2,436,724)	2,051,295	575,217	-	189,788
Taxation					(197,567)
Loss for the period					(7,779)
Total segment assets	601,123,788	245,745,722	3,990,223	(211,617,107)	639,242,626
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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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 Fund Managers Limited		100	Jamaica	Fund management
JMMB Bank (Jamaica) Limited	100		Jamaica	Commercial banking
JMMB Money Transfer Limited	100		Jamaica	Funds transfer
JMMB Real Estate Holdings Limited	100		Jamaica	Real estate holding
CC SPV Limited, formerly Capital & Credit Securities Limited	100		Jamaica	Investment holding
JMMB International Limited	100		Barbados	Investment holding and securities brokering
Jamaica Money Market Brokers (Trinidad and Tobago) Limited and its subsidiaries	100		Trinidad and Tobago	Investment holding company
JMMB Investments (Trinidad and Tobago) Limited and its subsidiary		100	Trinidad and Tobago	Securities brokering
JMMB Securities (T&T) Limited		100	Trinidad and Tobago	Stock brokering
JMMB Bank (T&T) Limited and its subsidiary		100	Trinidad and Tobago	Commercial banking
JMMB Express Finance (T&T) Limited		100	Trinidad and Tobago	Merchant banking and consumer financing
JMMB Holding Company Limited, SRL and its subsidiaries	100		Dominican Republic	Investment holding and management
JMMB Puesto de Bolsa,S.A.		80	Dominican Republic	Securities brokering
JMMB Sociedad Administradora De Fondos De Inversion, S.A.		70	Dominican Republic	Mutual fund administration
Banco Rio De Ahorro Y Credito JMMB Bank S.A		90	Dominican Republic	Savings and loans bank
AFP JMMB BDI S.A.		50	Dominican Republic	Pension funds administration services
Associate				
Sagicor Financial Company Limited	23.44 (2022: 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 2023

(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 37 of the audited financial statements for the year ended 31 March 2023.

All amounts are stated in Jamaican dollars unless otherwise indicated.

(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 2023

(Expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (continued)

(c) 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.

The Group has adopted IFRS 17 – Insurance Contracts (“IFRS 17”) for the first time on 1 April 2023 as the standard is relevant to its associate Sagicor Financial Company Limited (SFC). IFRS 17 replaces IFRS 4 – Insurance Contracts (“IFRS 4”), which is effective for annual reporting periods beginning on or after 1 January 2023, to be applied retrospectively. The overall impact of adopting IFRS 17 will have a significant impact on total assets and profit for the period of the associate, which will similarly impact the Group to the extent of their investment in the associate (note 6).

3. Share of profit/(loss) of associate

For the quarter ended 31 December 2023, Sagicor Financial Company Limited (SFC) has opted to publish its audited results for the year ended 31 December 2023, utilizing 90 day provision under the Toronto Stock Exchange (TSX). The results for the quarter was thus not available.

On 3 October 2023, (SFC) completed its acquisition of 100% equity stake in Ivori Holdings, a mid-size insurance company in Canada for a consideration of C\$375 million. A formal Business Acquisition Report (BAR) was filed with the Toronto Stock Exchange (TSX) on 14 December 2023, which highlighted a bargain purchase gain of US\$434.7 million of which 23.44% or J\$14.6 billion accrued to JMMB Group. This one off gain has been included in the quarterly results utilizing the BAR report that was filed with the Toronto Stock Exchange (TSX).

The bargain purchase gain arising from the purchase price allocation is preliminary and therefore may be subject to change arising from SFC audit of its financial statements for the year ended 31 December 2023. The Group will therefore reflect any additional earnings from SFC in its fourth quarter ended 31 March 2024 on the release of SFC's audited results.

These results reflect the adoption of IFRS 17 – Insurance Contracts, which the Group adopted April 1, 2023. Given that SFC adopted a retrospective approach, the prior year's financial result was restated and reflected a share of loss of J\$2.6 billion (Note 7).

4. Earnings per stock unit

Earnings per stock unit (“EPS”) is computed by dividing profit attributable to the equity holders of the parent of J\$16,708,907,000 (2022 – (J\$245,091,000)) by the weighted average number of stock units in issue during the period, numbering 1,955,552,532 (2022 – 1,955,552,532).

5. 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 2023, funds managed in this way amounted to J\$187,376,315,571 (2022 – J\$182,842,762,611).

JMMB GROUP LIMITED

Notes to the Financial Statements

Nine-month period ended 31 December 2023

(Expressed in Jamaican dollars unless otherwise indicated)

6. Comparative Information

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

7. Restatement

The Group's associated company Sagicor Financial Company Limited (SFC) adopted IFRS 17 – Insurance Contracts, effective January 1, 2023. This standard has brought significant changes to the accounting for insurance and reinsurance contracts. SFC has adopted a retrospective approach, which has resulted in restatement of its financial results. The Group has therefore restated the comparative amounts in the associated company effective April 1, 2023 which is highlighted below.

Except for the changes noted below, The Group has consistently applied the accounting policies as set out in its consolidated annual financial statement for the period ended 31 March 2023.

Statement of Financial Position

31 December 2022	Group		
	As Previously Reported	Adjustments	As Restated
	\$'000	\$'000	\$'000
Assets			
Interest in associated company	36,530,275	(1,223,593)	35,306,682
Others	603,935,944	-	603,935,944
Total Assets	640,466,219	(1,223,593)	639,242,626
Retained earnings	43,941,584	(4,770,747)	39,170,837
Investment revaluation reserve	(21,124,931)	3,547,154	(17,577,777)
Other	25,124,269	-	25,124,269
Non-controlling interest	47,940,922	(1,223,593)	46,717,329
Total equity	49,532,370	(1,223,593)	48,308,777

Statement of Profit or Loss and Other Comprehensive Income

Nine Month Period Ended 31 December 2022	Group		
	As Previously Reported	Adjustments	As Restated
	\$'000	\$'000	\$'000
Operating profit	4,216,656	-	4,216,656
Other income	25,319	-	25,319
Impairment loss on financial assets	4,241,975	-	4,241,975
Share of profit/(loss) of associate	(1,438,566)	-	(1,438,566)
Profit/(Loss) before taxation	4,960,535	(4,770,747)	189,788
Taxation	(197,567)	-	(197,567)
Profit/(Loss) for the period	4,762,968	(4,770,747)	(7,779)

JMMB GROUP LIMITED

Notes to the Financial Statements

Nine-month period ended 31 December 2023

(Expressed in Jamaican dollars unless otherwise indicated)

7. Restatement (continued)

Three Month Period Ended 31 December 2022	Group		
	As Previously Reported	Adjustments	As Restated
	\$'000	\$'000	\$'000
Operating profit	1,781,692	-	1,781,692
Other income	(11,319)	-	(11,319)
	1,770,373	-	1,770,373
Impairment loss on financial assets	(594,911)	-	(594,911)
Share of profit/(loss) of associate	-	2,916,843	2,916,843
Profit/(Loss) before taxation	1,175,462	2,916,843	4,092,305
Taxation	(37,616)	-	(37,616)
Profit/(Loss) for the period	1,137,846	2,916,843	4,054,689

Statement of Cash Flow

Nine Month Period Ended 31 December 2022	Group		
	As Previously Reported	Adjustments	As Restated
	\$'000	\$'000	\$'000
Cash flow from operating activities			
Profit/(Loss) for the period	4,762,968	(4,770,747)	(7,779)
Share of profit/(loss) of associate	(2,157,126)	4,770,747	2,613,621
Changes in operating assets and liabilities			
Others	9,323,395	-	9,323,395
Net cash provided by operating activities	11,929,237	-	11,929,237

JMMB GROUP LIMITED

Share Ownership of the Directors and Executive Team Leaders As at 31 December 2023

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
V. Andrew Whyte	846,745	ESOP
	200,000	
	2,135,800	Patricia Sutherland
Wayne Sutherland	26,540,838	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	8,112,321	
	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
Carolyn DaCosta	40,311,674	JVF E.I. LTD
	339,114	
	3,357	Craig DaCosta
Paul Gray	127,169	Dermott DaCosta
	4,795	Merline DaCosta
	5,237	Amanda DaCosta
	763,731	ESOP
Julian Mair	263,280	Teverly Gray
	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	
Kerry Ann Stimpson	780,032	ESOP
Claudine Tracey	563,000	ESOP
	60,900	
Peta-Gaye Bartley	847,260	ESOP
	11,000	Samuel Bartley
Peter Thompson	147,181	ESOP
	182,825	
Garfield Smith	552,310	ESOP
	124,113	
Avinash Bissessar	15,700	

JMMB GROUP LIMITED

Top 10 Largest Shareholders of the JMMB Group

As at 31 December 2023

Name of Shareholder	Number of Shares	Percentage Ownership
PROVEN GROUP LIMITED	391,310,525	20.010%
TRUSTEES JMMB ESOP	182,653,174	9.340%
NATIONAL INSURANCE FUND	108,231,640	5.535%
COLONIAL LIFE INSURANCE CO (TRINIDAD) LTD	88,453,776	4.523%
PANJAM JAMAICA GROUP 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	41,808,030	2.138%
JVF E.I. LTD	40,311,674	2.061%
Total	1,055,380,648	53.97%