

# JMMB GROUP LIMITED

Six Months Highlights

**Six-month period ended 30 September 2020**

(Expressed in Jamaican dollars unless otherwise indicated)

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## DIRECTORS' STATEMENT

### PERFORMANCE HIGHLIGHTS

Net Operating Revenue	J\$10.80 billion
Net Interest Income	J\$4.99 billion
Operating Profit	J\$3.26 billion
Net Profit	J\$2.42 billion
Earnings per Stock Unit	J\$1.20

The Directors are pleased to announce that the JMMB Group Limited posted a net profit of J\$2.42 billion and earnings per share of J\$1.20 for the six months ended 30 September 2020.

### GROUP CEO'S COMMENTARY

#### JMMB Delivers despite the Pandemic

JMMB has continued to deliver strong performance within the context of the COVID-19 pandemic. This solid performance is roughly in keeping with pre-COVID results of the comparable six-month end period in 2019, and demonstrates the Group's resilience and the effective execution of our COVID- 19 response strategy.

The Group's strategic response to COVID-19 initially centred on protecting our clients and ensuring the sustainability of the JMMB Group during and post the pandemic. All three countries of operation - Jamaica, Trinidad and Tobago and the Dominican Republic, immediately implemented a plan to manage potential short and medium term shocks to the Group's client base, operations, capital, liquidity and expenses. The Group also remained focus on pursuing growth opportunities during the pandemic as well as embedding efficiency gains from the use of digital channels. This focus yielded positive results as the JMMB team across all three countries effectively executed our financial partnership strategy; deepening relationships with our existing clients and on boarding new clients during the period.

#### CariCRIS reaffirms our solid Credit Rating despite uncertain COVID Environment

On October 7<sup>th</sup>, regional credit rating CariCRIS reaffirmed our overall 'good creditworthiness' ratings (jmA/A+) despite the uncertainty of the COVID-19 environment. According to CariCRIS " despite the negative impact of the coronavirus on economic activity in Jamaica and the wider Caribbean region, the Group's financial performance will continue to be good over the next 12-15 months ..." This is a positive and significant independent affirmation of JMMB's performance and strategy.

#### One Group, One Client, One Experience

Operational efficiency continues to be a key area of focus for the JMMB Group to enable the sustainable delivery of strong results. Standardization of systems, policies, products and processes has been an imperative to lay the foundation for efficiency and future growth. In September 2020, the Group hit a critical milestone when JMMB Bank

# JMMB GROUP LIMITED

## Six Months Highlights

### Six-month period ended 30 September 2020

(Expressed in Jamaican dollars unless otherwise indicated)

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in Trinidad and Tobago went live on JMMB Bank Jamaica's core banking systems as well as products, services, policies and processes.

With all the changes required to bring these long-term standardization efficiencies as well as new solutions services and functionalities, the Group acknowledges that there have been interruptions in our internet banking services, impacting the easy and enjoyable experience that our clients are accustomed to and deserve. This has since been resolved, and we remain committed to improving our partnership with our clients by strengthening our IT systems and will continue to improve, upgrade and deliver new digital products and channels within this financial year.

#### **Strategic Investment well positioned to deliver long-term value.**

We acquired 22.5% shareholdings in Sagicor Financial Corporation Limited (SFC) to deliver long-term strategic value to the JMMB Group. While our share of profits from SFC is currently adversely impacted by the pandemic resulting in our share of losses of J\$106.9 million for the six-month period, we remain confident about the long term returns on this investment. The results were primarily related to US operations which had higher Expected Credit Losses (ECLs) and adverse change in the actuarial adjustments due to the pandemic.

#### **Outlook- Building on Strong Performance, Confident about the Future**

Building on our strong performance and solid results, we will continue execute our proven and effective strategic imperatives and are very optimistic about the second half of our financial year 2020/21. As per our revenue diversification strategy, our banking business line continues to show tremendous growth and increased its contribution to net operating revenue by 9% for the six-month period. The rate of growth of our banks in all three countries continues to outpace the rate of growth of their respective markets. We look to augment this growth by realizing acquisition opportunities as we expand into new markets in the short term and by extending our banking products and services. Our investment business line continues to deliver robust results as we build out our solution offerings across the Group through our integrated financial partnership approach for each client segment aligned to their financial life goals.

With our inorganic and organic growth combined, as well as our efficiency strategies, we expect the Group will continue to grow. We will therefore take advantage of opportunities to raise capital to position ourselves for this future growth. The JMMB Group is confident that we will deliver solid results and value to our stakeholders during this unprecedented pandemic and for the long-term.

## **GROUP FINANCIAL PERFORMANCE**

### **Net Operating Revenue**

The JMMB Group posted net operating revenue of J\$10.80 billion for the six months ended September 30, 2020. While this represented an 8% decline when compared to the prior period, the operating environment was markedly different given the pandemic. In the prior period, market sentiment was bullish and we successfully identified and capitalized on trading activities. Nevertheless, our clients continued to demonstrate confidence in the value of products and services which was evidenced by strong growth in the loan and investment portfolios. This coupled with effective

# JMMB GROUP LIMITED

## Six Months Highlights

### Six-month period ended 30 September 2020

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spread management resulted in an 8% growth in net interest income which moved from J\$4.63 billion in the prior period to J\$4.99 billion in the period under review.

Fees and commission income was 5% lower at J\$1.52 billion as lower business activity was partially offset by significant growth in managed funds and collective investment schemes across the Group.

While our trading lines exceeded expectation, gains were below the prior year as bond and equity trading gains was J\$3.2 billion, while FX trading gains was J\$1.07 billion.

## Segment Contribution

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

Net Operating Revenue	J\$'000	Contribution (%)
Financial & Related Services	6,408,838	59%
Banking & Related Services	4,203,870	39%
Other	182,445	2%
<b>Total</b>	<b>10,795,153</b>	<b>100%</b>

The Banking & Related Services segment contributed J\$4.2 billion or 39% of net operating revenue. This represented a 9% increase when compared to the prior period and was largely on account of strong growth in the loan book which translated to increased net interest income. On the contrary, Financial and Related Services contributed J\$6.41 billion and declined by 18% as a consequence of reduced trading activities.

## Operating Efficiency

Operating expenses was J\$246.2 million or 3% lower than the prior period at J\$7.16 billion. Given reduced business activity, we implemented a cost containment program while prioritizing our efficiency related projects. The Group will continue to focus on extracting operational efficiency from all entities through the launch of its standardization and process improvements project.

## GROUP FINANCIAL POSITION

### Total Assets

At the end of the reporting period, the JMMB Group's asset base totalled J\$466.84 billion, up J\$66.62 billion or 17% relative to the start of the financial year. This was mainly on account of a larger loan and investment portfolio as well as a larger liquidity buffer. Investment portfolio and loans and notes receivable grew by 24% and 12% to J\$245.82 billion and J\$111 billion, respectively. The credit quality of the loan portfolio continued to be comparable to international standards and we implemented enhanced monitoring to mitigate against possible deterioration in credit quality.

# JMMB GROUP LIMITED

## Six Months Highlights

### Six-month period ended 30 September 2020

(Expressed in Jamaican dollars unless otherwise indicated)

Growth in the asset base over the six-month period was funded by increases in customer deposits and repos. Customer deposits increased by J\$13.21 billion or 13% to J\$117.39 billion, while repos grew by J\$37.83 billion or 21% to J\$217.42 billion.

## Capital

Company	Regulatory Measure	Minimum Requirement	30-Sep-20
Jamaica Money Market Brokers Limited	Regulatory capital to risk weighted assets ratio	10%	15.49%
JMMB Bank (Ja) Limited	Regulatory capital to risk weighted assets ratio	10%	11.94%
JMMB Bank (T&T) Limited	Regulatory capital to risk weighted assets ratio	10%	14.95%
JMMB Securities Limited	Net free capital	J\$101 million	J\$735 million
JMMB Puesto de Bolsa, S.A.	Regulatory capital to risk weighted assets ratio	15.50%	108%

Over the six-month period, shareholders' equity increased by 24% to J\$51.10 billion. This was on account of increased profitability as well as a rebound in emerging market bond prices which resulted in positive movement in investment revaluation reserve. Thus, the Group continued to be adequately capitalized and all individually regulated companies within the Group continued to

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

## Off-Balance Sheet Funds under Management

In alignment with the Group's strategy to provide complete, customized financial solutions for each client, we experienced growth in our off-balance sheet products which include pension funds, unit trusts and money market funds. The total invested in off-balance sheet products as at the end of September 2020 stood at J\$146.3 billion compared to J\$138.3 billion as at end of September 2019.

## The JMMB Group in the Community

JMMB Group continues to establish genuine relationships with the wider society, in which it operates, in keeping with its commitment to help others to realize their greatness. As such, the company has been actively involved in nation-building, by supporting entrepreneurial and educational initiatives, transformational projects and community outreach efforts.

In **Jamaica**, the JMMB Joan Duncan Foundation was focused primarily on nation-building efforts, educational development, youth entrepreneurial initiatives and transformational training. In support of the country's pandemic response, we donated J\$10.3 million to the PSOJ/COVID-19 Response Fund. This is intended to support vulnerable citizens and thus far the initiative has benefited approximately 75,000 individuals. Additionally, the Foundation provided financial backing to the PSOJ-led, Access to Finance Facilitation Panel (AFFP) SME Facebook Live Podcast series. This is designed to help small enterprises navigate the coronavirus crisis as well as to identify emerging business opportunities.

Further, the Foundation continued its national project, Conversations for Greatness, however this was transitioned online. Thus far, approximately 9000 individuals have benefitted from this transformational initiative, including 89

# JMMB GROUP LIMITED

## Six Months Highlights

### Six-month period ended 30 September 2020

(Expressed in Jamaican dollars unless otherwise indicated)

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schools and 137 organizations such as charities, non-profit, governmental agencies and civic groups. In keeping with its commitment to education, the Foundation has also given over J\$4M in scholarship and bursaries to 42 financially-challenged students at the primary to tertiary level.

The Foundation in partnership with the Joan Duncan School of Entrepreneurship, Ethics and Leadership (JDSEEL), University of Technology, Jamaica hosted its annual Joan Duncan Memorial lecture, via television and online. This year's theme was "Digital Entrepreneurship, Breaking Boundaries" with digital marketing experts and entrepreneurs Tyrone Wilson and Stacy Kirk, as the speakers. Additionally, we continued to support community outreach initiatives such as Violence Prevention Alliance (VPA) and Committee for the Upliftment of the Mentally Ill (CUMI), among other projects.

In the **Dominican Republic**, the team remains committed to partnering with UNPHU Emprende, the Entrepreneur division of the Universidad Nacional Pedro Henriquez Ureña. Through this partnership, JMMB provides financial support for materials and financial advisory services to the top entrepreneur including a review of the business plan and marketing strategy, hosted by UNPHU every year. Additionally, in response to the COVID-19 pandemic, JMMB has sought to provide a special financial advisory service via Zoom to assist especially small and medium sized enterprises (SMEs), who are among the most vulnerable groups impacted by the pandemic. This service has allowed the more than 200 SMEs and corporate clients, who have accessed the service, to better navigate these uncertain times by providing the necessary expertise and financial tools to pivot and strategize, in order to thrive during the crisis.

In **Trinidad and Tobago**, the JMMB Group supported nation-building efforts, by providing financial backing to the United Way's initiative, that was geared towards preparing 10 schools, serving at-risk communities, to reopen safely and improve their resilience for operating in the new norm, as a result of COVID-19. Additionally, the company lent financial support to Caribbean Respect Campaign and Regional Community Development Programme (CRCRCDP), a non-profit organization developed to positively impact social reform across the Caribbean region. This CRCRCDP initiative was designed to assist 18-year-olds to transition from Children's Homes, into safe and positive environments and ensure their social development is not hampered due to the lack of parental support.

# JMMB GROUP LIMITED

Six Months Highlights

**Six-month period ended 30 September 2020**

(Expressed in Jamaican dollars unless otherwise indicated)

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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

### Six-month period ended 30 September 2020

(Expressed in Jamaican dollars unless otherwise indicated)

	Unaudited Three Months Ended 30-Sep-20 \$000	Unaudited Three Months Ended 30-Sep-19 \$000	Unaudited Six Months Ended 30-Sep-20 \$000	Unaudited Six Months Ended 30-Sep-19 \$000
<b>Net Interest Income and Other Revenue</b>				
Interest income	5,479,145	4,979,349	10,939,878	9,575,513
Interest expense	(2,915,490)	(2,549,234)	(5,952,036)	(4,949,815)
<b>Net Interest Income</b>	<b>2,563,655</b>	<b>2,430,115</b>	<b>4,987,842</b>	<b>4,625,698</b>
Fees and commissions income	795,994	851,689	1,516,197	1,588,358
Gain on securities trading, net	1,888,538	1,789,404	3,196,946	3,951,285
Foreign exchange margins from cambio trading	543,097	783,729	1,070,887	1,528,401
Dividends	5,047	16,190	23,281	21,188
<b>Operating Revenue Net of Interest Expense</b>	<b>5,796,331</b>	<b>5,871,127</b>	<b>10,795,153</b>	<b>11,714,930</b>
Operating expenses	(3,449,878)	(3,563,945)	(7,161,723)	(7,407,929)
Impairment loss on financial assets	(202,946)	(141,694)	(372,320)	(295,272)
<b>Operating Profit</b>	<b>2,143,507</b>	<b>2,165,488</b>	<b>3,261,110</b>	<b>4,011,729</b>
Other income	2,319	114	2,378	216
	<b>2,145,826</b>	<b>2,165,602</b>	<b>3,263,488</b>	<b>4,011,945</b>
Share of loss of associate	(98,026)	-	(106,972)	-
<b>Profit before Taxation</b>	<b>2,047,800</b>	<b>2,165,602</b>	<b>3,156,516</b>	<b>4,011,945</b>
Taxation	(412,342)	(483,097)	(740,847)	(1,210,880)
<b>Profit for the Period</b>	<b>1,635,458</b>	<b>1,682,505</b>	<b>2,415,669</b>	<b>2,801,065</b>
<b>Attributable to:</b>				
Equity holders of the parent	1,569,041	1,612,536	2,338,363	2,724,157
Non-controlling interest	66,417	69,969	77,306	76,908
	<b>1,635,458</b>	<b>1,682,505</b>	<b>2,415,669</b>	<b>2,801,065</b>
<b>Earnings per stock unit</b>	<b>\$0.80</b>	<b>\$0.99</b>	<b>\$1.20</b>	<b>\$1.67</b>

# JMMB GROUP LIMITED

## Consolidated Statement of Comprehensive Income

Six-month period ended 30 September 2020

(Expressed in Jamaican dollars unless otherwise indicated)

	Unaudited Three Months Ended 30-Sep-20 \$000	Unaudited Three Months Ended 30-Sep-19 \$000	Unaudited Six Months Ended 30-Sep-20 \$000	Unaudited Six Months Ended 30-Sep-19 \$000
<b>Profit for the Period</b>	<b>1,635,458</b>	<b>1,682,505</b>	<b>2,415,669</b>	<b>2,801,065</b>
<b>Other comprehensive income</b>				
<i>Items that may be reclassified to profit or loss:</i>				
Net gain on investment in debt instruments measured at FVOCI	2,126,337	3,473,999	7,379,825	4,437,415
Foreign exchange translation differences on translation of foreign subsidiaries	389,229	24,628	100,014	346,395
<i>Items that will not be reclassified to profit or loss:</i>				
Net gain/(loss) on investment in equity instruments designated at FVOCI	(7,574)	(55,882)	22,583	430,760
Total other comprehensive income, net of tax	2,507,992	3,442,745	7,502,422	5,214,570
<b>Total comprehensive income for period</b>	<b>4,143,450</b>	<b>5,125,250</b>	<b>9,918,091</b>	<b>8,015,635</b>
<b>Total comprehensive income attributable to:</b>				
Owners of the parent	4,015,220	5,126,913	9,745,410	7,854,358
Non-controlling interest	128,230	(1,663)	172,681	161,277
	<b>4,143,450</b>	<b>5,125,250</b>	<b>9,918,091</b>	<b>8,015,635</b>



# JMMB GROUP LIMITED

## Consolidated Statement of Financial Position

### Six-month period ended 30 September 2020

(Expressed in Jamaican dollars unless otherwise indicated)

	Unaudited as at 30-Sep-20 \$'000	Unaudited as at 30-Sep-19 \$'000	Audited as at 31-Mar-20 \$'000
<b>ASSETS</b>			
Cash and cash equivalents	48,570,260	39,775,730	42,636,000
Interest receivable	4,411,512	3,571,614	3,504,722
Income tax recoverable	594,599	314,428	618,210
Loans and notes receivable	110,998,256	82,943,638	98,841,073
Other receivables	7,227,205	6,713,971	6,992,662
Investments and resale agreements	245,818,858	252,069,709	198,270,483
Interest in associated company	36,696,644	-	35,009,306
Investment properties	698,932	514,412	621,232
Property, plant and equipment and intangible assets	6,101,502	5,278,051	5,845,542
Deferred income tax asset	3,741,104	189,748	5,508,584
Right-of-use asset	1,601,993	-	1,849,321
Customers' liability under acceptances, guarantees and letters of credit as per contra	384,620	311,366	525,491
	<b>466,845,485</b>	<b>391,682,667</b>	<b>400,222,626</b>
<b>STOCKHOLDERS' EQUITY</b>			
Share capital	14,115,924	1,864,554	14,115,924
Retained earnings reserve	9,605,055	9,605,055	9,605,055
Investment revaluation reserve	304,831	6,931,989	(6,919,287)
Cumulative translation reserve	500,660	(186,656)	317,731
Retained earnings	25,445,911	19,251,318	23,107,548
	49,972,381	37,466,260	40,226,971
Non-controlling interest	1,124,864	1,245,147	952,183
	<b>51,097,245</b>	<b>38,711,407</b>	<b>41,179,154</b>
<b>Liabilities</b>			
Customer deposits	117,390,200	85,068,257	104,183,074
Due to other financial institutions	395,891	174,036	210,605
Securities sold under agreements to repurchase	217,422,311	199,007,792	179,589,980
Notes payable	46,614,001	39,175,994	45,087,432
Lease liabilities	1,737,114	-	1,948,668
Redeemable preference shares	17,770,984	17,132,422	17,116,952
Interest payable	2,179,980	1,521,403	1,633,703
Income tax payable	2,468,836	1,640,540	1,920,743
Other payables	9,338,903	7,798,394	6,777,046
Deferred income tax liabilities	45,400	1,141,056	49,778
Liability under acceptances, guarantees and letters of credit as per contra	384,620	311,366	525,491
	<b>415,748,240</b>	<b>352,971,260</b>	<b>359,043,472</b>
	<b>466,845,485</b>	<b>391,682,667</b>	<b>400,222,626</b>

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 2020

(Expressed in Jamaican dollars unless otherwise indicated)

	Share Capital	Retained Earnings Reserve	Investment Revaluation Reserve	Cumulative Translation Reserve	Retained Earnings	Attributable to holders of the Parent	Non- Controlling Interest	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Balances at March 31, 2019 (Audited)</b>	<b>1,864,554</b>	<b>9,605,055</b>	<b>2,114,147</b>	<b>(499,014)</b>	<b>16,981,202</b>	<b>30,065,944</b>	<b>1,038,332</b>	<b>31,104,276</b>
Profit for the period	-	-	-	-	2,724,157	2,724,157	76,908	2,801,065
Other comprehensive income for period	-	-	4,817,842	312,358	-	5,130,200	84,370	5,214,570
<b>Total comprehensive income for period</b>	<b>-</b>	<b>-</b>	<b>4,817,842</b>	<b>312,358</b>	<b>2,724,157</b>	<b>7,854,357</b>	<b>161,278</b>	<b>8,015,635</b>
Paid in capital	-	-	-	-	-	-	45,537	45,537
Dividends paid	-	-	-	-	(454,041)	(454,041)	-	(454,041)
<b>Balances at 30 September 2019 (unaudited)</b>	<b>1,864,554</b>	<b>9,605,055</b>	<b>6,931,989</b>	<b>(186,656)</b>	<b>19,251,318</b>	<b>37,466,260</b>	<b>1,245,147</b>	<b>38,711,407</b>
<b>Balances at March 31, 2020 (Audited)</b>	<b>14,115,924</b>	<b>9,605,055</b>	<b>(6,919,287)</b>	<b>317,731</b>	<b>23,107,548</b>	<b>40,226,971</b>	<b>952,183</b>	<b>41,179,154</b>
Profit for the period	-	-	-	-	2,338,363	2,338,363	77,306	2,415,669
Other comprehensive income for period	-	-	7,224,118	182,929	-	7,407,047	95,375	7,502,422
<b>Total comprehensive income for period</b>	<b>-</b>	<b>-</b>	<b>7,224,118</b>	<b>182,929</b>	<b>2,338,363</b>	<b>9,745,410</b>	<b>172,681</b>	<b>9,918,091</b>
<b>Balances at 30 September 2020 (unaudited)</b>	<b>14,115,924</b>	<b>9,605,055</b>	<b>304,831</b>	<b>500,660</b>	<b>25,445,911</b>	<b>49,972,381</b>	<b>1,124,864</b>	<b>51,097,245</b>

# JMMB GROUP LIMITED

## Consolidated Statement of Cash Flows

### Six-month period ended 30 September 2020

(Expressed in Jamaican dollars unless otherwise indicated)

	Unaudited Six Months Ended 30-Sep-20 \$'000	Unaudited Six Months Ended 30-Sep-19 \$'000
<b>Cash Flows from Operating Activities</b>		
Profit for the period	2,415,669	2,801,065
Adjustments for:		
Share of loss of associate	106,972	-
Unrealised gain on trading securities	(87,769)	(188,335)
Depreciation and amortisation	495,006	364,373
	2,929,878	2,977,103
Changes in operating assets and liabilities	42,318,934	48,119,740
<b>Net cash provided by operating activities</b>	<b>45,248,812</b>	<b>51,096,843</b>
<b>Cash Flows from Investing Activities</b>		
Investment securities, net	(40,141,327)	(40,967,150)
Dividend received	233,071	-
Purchase of property, plant and equipment and computer software	(609,001)	(626,318)
<b>Net cash used in investing activities</b>	<b>(40,517,257)</b>	<b>(41,593,468)</b>
<b>Cash Flows from Financing Activities</b>		
Notes payable	1,202,705	-
Dividends paid	-	(454,041)
<b>Net cash provided by/(used in) financing activities</b>	<b>1,202,705</b>	<b>(454,041)</b>
<b>Net increase in cash and cash equivalents</b>	<b>5,934,260</b>	<b>9,049,334</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>42,636,000</b>	<b>30,726,396</b>
<b>Cash and cash equivalents at end of period</b>	<b>48,570,260</b>	<b>39,775,730</b>

# JMMB GROUP LIMITED

## Notes to the Financial Statements

### Six-month period ended 30 September 2020

(Expressed in Jamaican dollars unless otherwise indicated)

#### Segment Reporting

	Six-month period ended 30 September 2020				
	Financial & Related Services	Banking & Related Services	Others	Eliminations	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
External revenues	10,995,019	5,649,442	105,106	-	16,749,567
Intersegment revenue	2,580,684	86,446	-	(2,667,130)	-
Total segment revenue	13,575,703	5,735,888	105,106	(2,667,130)	16,749,567
Share of loss of associate					(106,972)
Profit before tax	2,266,151	784,567	105,798	-	3,156,516
Taxation					(740,847)
Profit for the period					2,415,669
Total segment assets	439,256,700	168,465,119	2,130,751	(143,007,085)	466,845,485
Total segment liabilities	400,196,577	143,496,247	1,858,726	(129,803,310)	415,748,240
Interest Income	6,371,439	4,566,048	2,391	-	10,939,878
Operating expenses	3,880,802	3,205,004	75,917	-	7,161,723
Depreciation & amortisation	253,132	234,368	7,506	-	495,006
Capital expenditure	403,822	205,179	-	-	609,001

# JMMB GROUP LIMITED

## Notes to the Financial Statements

### Six-month period ended 30 September 2020

(Expressed in Jamaican dollars unless otherwise indicated)

## Segment Reporting

	Six-month period ended 30 September 2019				
	Financial & Related Services	Banking & Related Services	Others	Eliminations	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
External revenues	11,592,295	4,970,811	101,855	-	16,664,961
Intersegment revenue	2,575,745	117,405	-	(2,693,150)	-
Total segment revenue	14,168,040	5,088,216	101,855	(2,693,150)	16,664,961
Profit before tax	3,215,284	775,068	21,593	-	4,011,945
Taxation					(1,210,880)
Profit for the period					2,801,065
Total segment assets	338,288,427	131,403,698	1,634,385	(79,643,843)	391,682,667
Total segment liabilities	301,069,022	117,094,976	1,560,075	(66,752,813)	352,971,260
Interest income	6,097,014	3,474,694	3,805	-	9,575,513
Operating expenses	4,361,009	2,969,179	77,741	-	7,407,929
Depreciation & amortisation	231,700	127,463	5,210	-	364,373
Capital expenditure	475,477	115,469	35,372	-	626,318

# JMMB GROUP LIMITED

## Notes to the Financial Statements

### Six-month period ended 30 September 2020

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

# JMMB GROUP LIMITED

## Notes to the Financial Statements

### Six-month period ended 30 September 2020

(Expressed in Jamaican dollars unless otherwise indicated)

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## 2. Summary of Significant Accounting Policies

### (a) Basis of preparation

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

All amounts are stated in Jamaican dollars unless otherwise indicated.

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

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

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

### (b) Basis of consolidation

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

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

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

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

# JMMB GROUP LIMITED

## Notes to the Financial Statements

### Six-month period ended 30 September 2020

(Expressed in Jamaican dollars unless otherwise indicated)

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#### 2. Summary of Significant Accounting Policies (continued)

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

(i) Non-controlling interests

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

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

(ii) Loss of control

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

(b) **Interest in associated company**

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

(c) **Earnings per stock unit**

Earnings per stock unit ("EPS") is computed by dividing profit attributable to the equity holders of the parent of J\$2,338,362,726 (2019 – J\$2,724,157,398) by the weighted average number of stock units in issue during the period, numbering 1,955,552,532 (2019 – 1,630,552,532).

(d) **Managed funds**

The Group acts as agent and earns fees for managing clients' funds on a non-recourse basis under a management agreement. At 30 September 2020, funds managed in this way amounted to J\$146,305,125,629 (2019 – J\$138,297,690,809).

(e) **Comparative Information**

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



# JMMB GROUP LIMITED

## Share Ownership of the Directors and Executive Team Leaders

Period ended 30 September 2020

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

# JMMB GROUP LIMITED

Top 10 Largest Shareholders of the JMMB Group

Period ended 30 September 2020

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Name of Shareholder	Number of Shares	Percentage Ownership
PROVEN INVESTMENTS LIMITED	391,310,525	20.01%
TRUSTEES JMMB ESOP	172,681,449	8.83%
COLONIAL LIFE INSURANCE CO (TRINIDAD) LTD	103,453,776	5.29%
NATIONAL INSURANCE FUND	89,174,704	4.56%
PANJAM INVESTMENTS LIMITED	68,071,220	3.48%
SJIML A/C 3119	55,872,550	2.86%
CONCISE E.I. LTD	48,438,366	2.48%
JVF O.E. LTD	44,300,000	2.27%
SAGICOR POOLED EQUITY FUND	43,768,338	2.24%
JVF E.I. LTD	40,311,674	2.06%
<b>Total</b>	<b>1,057,382,602</b>	<b>54.07%</b>