THE JMMB GROUP LTD.

We believe in...

ANNUAL REPORT 2018


THE
JMMB
GROUP LTD.

We believe...

IN OUR PROMISE

We promise to keep your best interest at heart, and we will try to do so by listening to, understanding and caring for you and your family's unique needs, exceeding your greatest expectations by providing simple transparent solutions, oriented around you and your family's life goals.

IN OUR MISSION

To maximise client satisfaction through exceptional client care and world class financial advice and expertise.

Solidity, ethics, credibility and openness are hallmarks of JMMB as experts in all aspects of our operations.

To be a dynamic, international, multifaceted financial group that has a caring, loving and fun environment where team members are productive, creative, happy and fulfilled.

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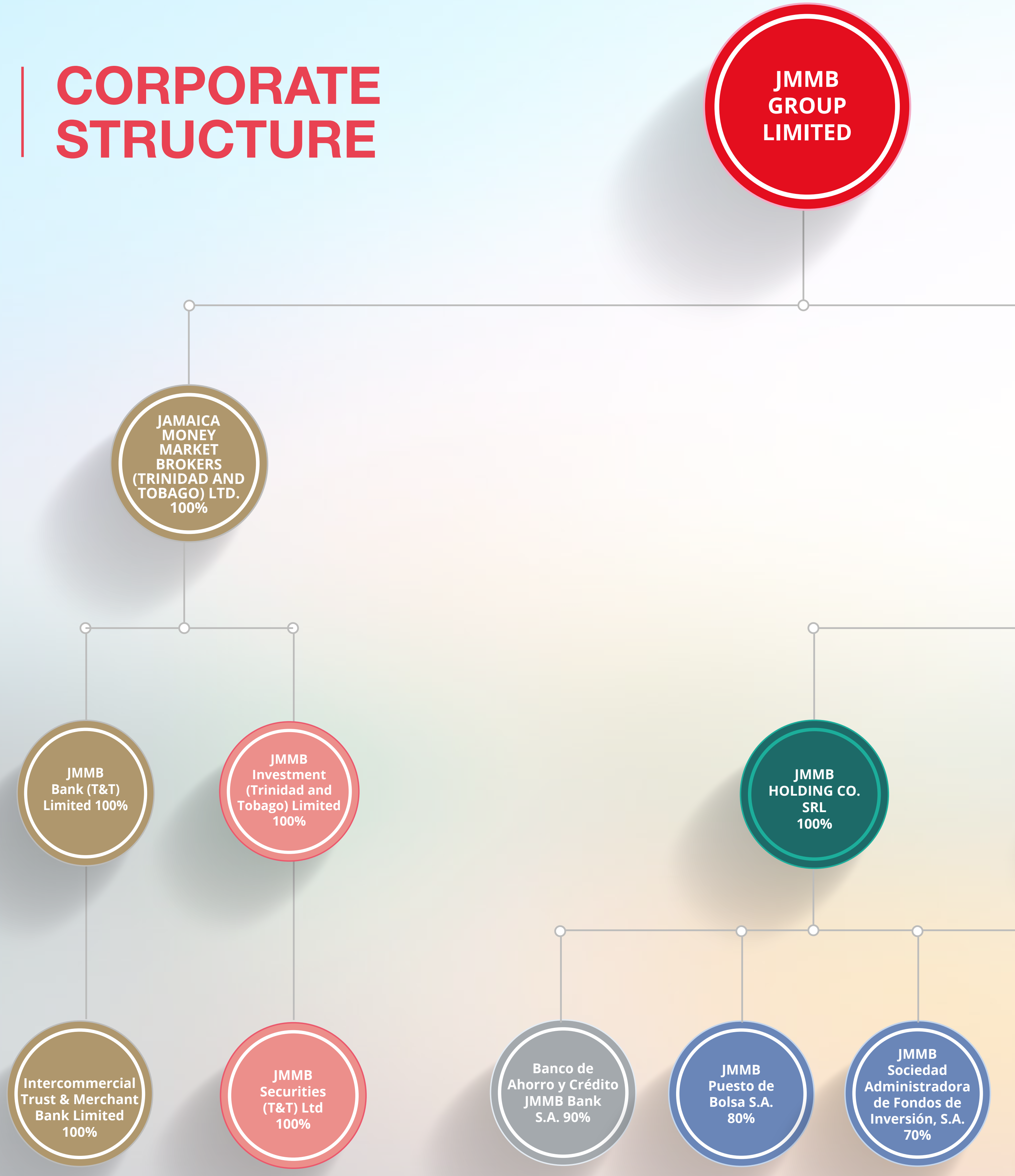
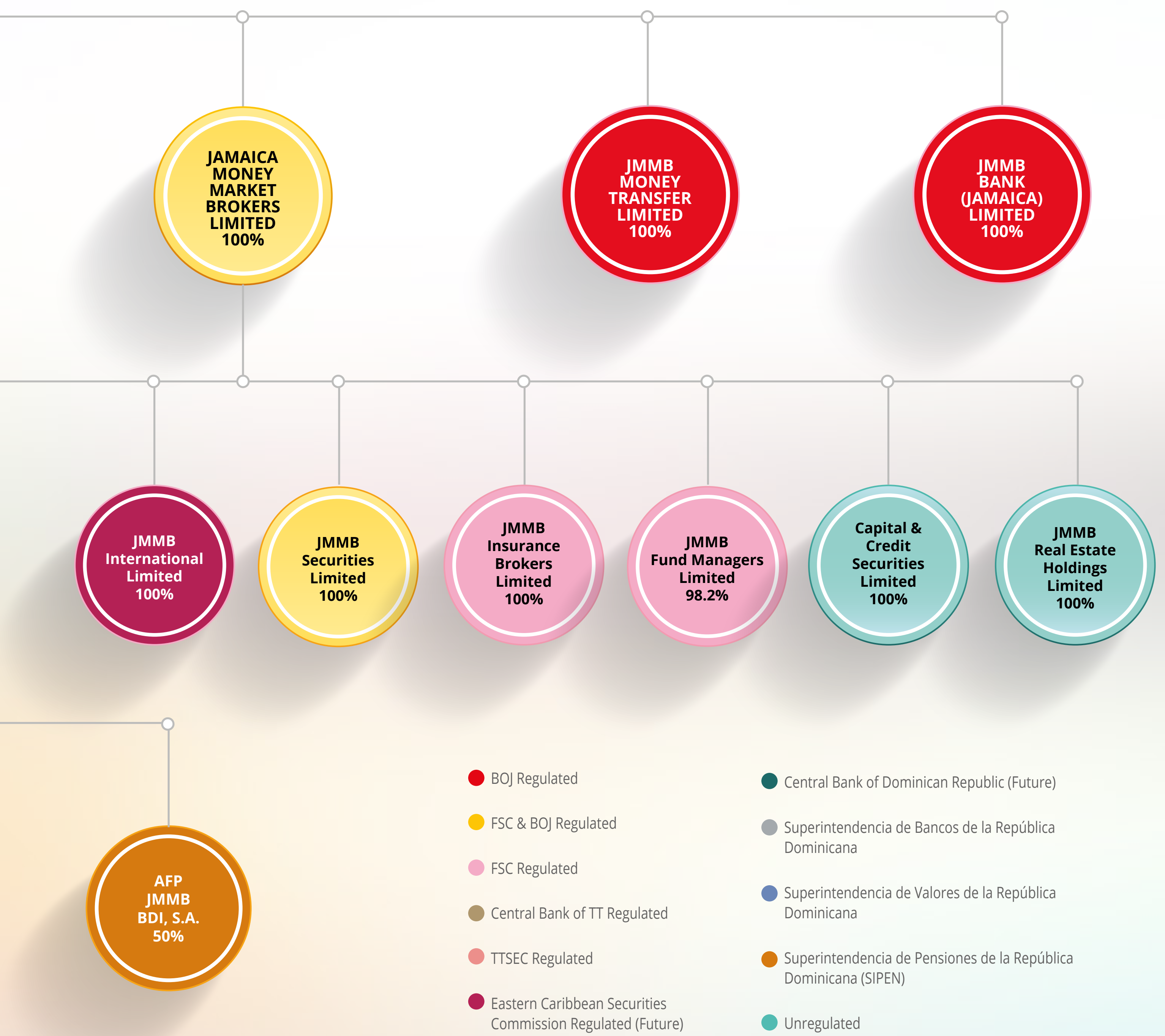
THE JMMB GROUP LTD.

CORPORATE STRUCTURE




JAMAICA MONEY MARKET BROKERS LIMITED 100%
JMMB MONEY TRANSFER LIMITED 100%
JMMB BANK (JAMAICA) LIMITED 100%
JMMB International Limited 100%
JMMB Securities Limited 100%
JMMB Insurance Brokers Limited 100%
JMMB Fund Managers Limited 98.2%
Capital & Credit Securities Limited 100%
JMMB Real Estate Holdings Limited 100%
AFP JMMB BDI, S.A. 50%
BOJ Regulated
FSC & BOJ Regulated
FSC Regulated
Central Bank of TT Regulated
TTSEC Regulated
Eastern Caribbean Securities Commission Regulated (Future)
Central Bank of Dominican Republic (Future)
Superintendencia de Bancos de la República Dominicana
Superintendencia de Valores de la República Dominicana
Superintendencia de Pensiones de la República Dominicana (SIPEN)
Unregulated

CORPORATE INFORMATION

CLIENT CARE SUPPORT

(876) 998-JMMB (5662)
From the USA and Canada:
1 (877) 533-5662
From the UK: 0 (800) 404-9616
Opening Hours:
Monday – Friday:
8:00 a.m. – 7:00 p.m.
Saturday: 9:00 a.m. – 7:00 p.m.
Email: info@jmmb.com
www.jmmb.com

Jamaica

JMMB Investments
(Jamaica Money Market Brokers Limited)

6 Haughton Terrace,
Kingston 10
Tel: (876) 998-5662
Fax: (876) 960-9546
OPENING HOURS:
Monday – Friday:
8:30 a.m. – 3:30 p.m.
Email: info@jmmb.com
www.jmmb.com

BOARD OF DIRECTORS

Archibald Campbell – Chairman
Kisha Anderson
Audrey Deer-Williams
Keith Duncan
Dennis Harris
V. Andrew Whyte
Carolyn DaCosta – Corporate Secretary
Claudine Campbell-Bryan - Deputy Corporate Secretary

HAUGHTON AVENUE BRANCH
5 Haughton Avenue,
Kingston 10
Tel: (876) 998-5662
Fax: (876) 920-7281 or (876) 998-9380
OPENING HOURS:
Monday – Friday:
8:30 a.m. – 3:30 p.m.
Drive Thru
Monday – Friday:
9:00 am – 5:00 p.m.
Saturday: 10:00 a.m. – 2:00 p.m.

KNUTSFORD BOULEVARD BRANCH
11 Knutsford Boulevard,
Kingston 5
Tel: (876) 998-5662
Fax: (876) 960-3927 or (876) 960-4455
OPENING HOURS:
Monday – Friday:
8:30 a.m. – 3:30 p.m.

JUNCTION AGENCY
Shop 2, Roye's Plaza,
Main Street, Junction
St. Elizabeth
Tel: (876) 998-5662
OPENING HOURS:
Monday – Friday:
8:30 a.m. to 3:30 p.m.

MANDEVILLE BRANCH
23 Ward Avenue,
Mandeville, Manchester
Tel: (876) 998-5662
Fax: (876) 625-2352
OPENING HOURS:
Monday – Friday:
8:30 a.m. – 3:30 p.m.

MONTEGO BAY BRANCH
Suite 1,
Fairview Office Park,
Alice Eldemire Drive,
Montego Bay, St. James
Tel: (876) 998-5662
Fax: (876) 979-8985
OPENING HOURS:
Monday – Friday:
8:30 a.m. – 3:30 p.m.

MAY PEN BRANCH
Shop 28B, Bargain Village Plaza,
35 Main Street,
May Pen, Clarendon
Tel: (876) 998-5662
Fax: (876) 786-3660
OPENING HOURS:
Monday – Friday:
8:30 a.m. – 3:30 p.m.

OCHO RIOS BRANCH
Guardian Life Building,
2 Graham Street,
Ocho Rios, St. Ann
Tel: (876) 998-5662
Fax: (876) 795-3886

OPENING HOURS:
Monday – Friday:
8:30 a.m. – 3:30 p.m.

PORTMORE BRANCH
47 - 48 West Trade Way,
Portmore Town Centre,
Portmore, St. Catherine
Tel: (876) 998-5662
Fax: (876) 939-3207
OPENING HOURS:
Monday – Friday:
10:30 a.m. – 6:00 p.m.
Saturday: 10:30 a.m. – 2:00 p.m.

SANTA CRUZ BRANCH
Shop # 2 Oasis Plaza, Coke Drive,
Santa Cruz, St. Elizabeth
Tel: (876) 998-5662
Fax: (876) 966-9816
OPENING HOURS:
Monday – Friday:
8:30 a.m. – 3:30 p.m.

ETM DUAL CURRENCY SERVICE (US$ & J$)

- Haughton Terrace
- Junction
- Knutsford Boulevard
- Liguanea
- Mandeville
- May Pen
- Montego Bay
- Ocho Rios
- Phoenix Avenue
- Portmore
- Santa Cruz

JMMB FUND MANAGERS LTD

6 Haughton Terrace,
Kingston 10
Tel: (876) 998-5662
Fax: (876) 960-8106
OPENING HOURS:
Monday – Friday:
8:30 a.m. – 3:30 p.m.
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BOARD OF DIRECTORS

Archibald Campbell – Chairman
Kisha Anderson
Audrey Deer-Williams
Keith Duncan
Dennis Harris
V. Andrew Whyte
Carolyn DaCosta – Corporate Secretary
Claudine Campbell Bryan – Deputy Corporate Secretary

JMMB INSURANCE BROKERS

8 Dominica Drive, New Kingston
Kingston 5
Tel: (876) 998-5662
Fax: (876) 960-3927 or (876) 998-9380
OPENING HOURS:
Monday – Friday:
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www.jmmb.com
Email: info@jmmb.com

BOARD OF DIRECTORS

Archibald Campbell – Chairman
Kisha Anderson
Cecile Cooper
Keith Duncan
Paul Gray
Claudine Campbell Bryan – Corporate Secretary

JMMB SECURITIES LTD
A Member of the Jamaica Stock Exchange

6 Haughton Terrace,
Kingston 10
Tel: (876) 998-5662
Fax: (876) 960-9546
OPENING HOURS:
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www.jmmb.com
Email: info@jmmb.com

BOARD OF DIRECTORS

Archibald Campbell – Chairman
Kisha Anderson
Audrey Deer-Williams
Keith Duncan

CORPORATE INFORMATION CONTINUED

Dennis Harris
Julian Mair
V. Andrew Whyte
Carolyn DaCosta – Corporate Secretary
Claudine Campbell Bryan – Deputy Corporate Secretary

JMMB Bank

HEAD OFFICE
6-8 Grenada Way
Kingston 5
Jamaica, W.I.
Tel: (876) 998-5662
Toll Free: 1 (888) 991-2062/7
Fax: (876) 960-1381
OPENING HOURS:
Monday – Friday:
8:30 a.m. – 3:30 p.m.
www.jmmb.com
Email: info@jmmb.com

BOARD OF DIRECTORS

Dennis Harris – Chairman
Vintoria Bernard
Archibald Campbell
Keith Duncan
Donna Duncan-Scott
Martin Lyn
H. Wayne Powell
Gregory Shirley
Patricia Sutherland
V. Andrew Whyte
Carolyn DaCosta – Corporate Secretary
Claudine Campbell Bryan – Deputy Corporate Secretary

KNUTSFORD BOULEVARD BRANCH
11 Knutsford Boulevard
New Kingston
Kingston 5
Tel: (876) 998-5662
Fax: 960-3927 or 960-4455
OPENING HOURS:
Monday – Friday:
8:30 a.m. – 3:30 p.m.

MONTEGO BAY BRANCH
25 Church Street
Montego Bay, St. James
Jamaica, W.I.
Tel: (876) 998-5662
Fax: (876) 952-4647
OPENING HOURS:
Monday – Friday:
8:30 a.m. – 3:30 p.m.

OCHO RIOS BRANCH
2 Graham Street
Ocho Rios, St. Ann
Jamaica, W.I.
Tel: (876) 998-5662
Fax: (876) 974-8631
OPENING HOURS:
Monday – Friday:
8:30 a.m. – 3:30 p.m.

JMMB Money Transfer

HEAD OFFICE
6 Haughton Terrace,
Kingston 5
Jamaica, W.I.
Tel: (876) 998-5662
Toll Free: 1 (888) 991-2062/7
Fax: (876) 960-2833
OPENING HOURS:
Monday – Friday:
8:30 a.m. – 5:00 p.m.
www.jmmb.com
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BOARD OF DIRECTORS

Archibald Campbell – Chairman
Kisha Anderson
Maurice Barnes
Andrew Cocking
Keith Duncan
V. Andrew Whyte
Carolyn DaCosta – Corporate Secretary
Claudine Campbell Bryan – Deputy Corporate Secretary

Dominican Republic

JMMB Puesto de Bolsa, S.A.

HEAD OFFICE
Av. Gustavo Mejía Ricart,
Torre Corporativo 2010, No. 102, Piso 12, Piantini,

Distrito Nacional, República Dominicana.
Tel: (809) 566-5662
Fax: (809) 620-5662
www.jmmb.com
Email: info@jmmb.com.do

BOARD OF DIRECTORS

Archibald Campbell - Chairman
Guillermo Arancibia
Keith Duncan
Donna Duncan- Scott
Ricardo Ginebra
Robert Jiménez Collie
Julian Mair
V. Andrew Whyte
José de Moya Cuesta - Company Secretary

CORPORATIVO 2010
Edificio Corporativo 2010
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Fax: (809) 620-5662
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www.jmmb.com
Email: info@jmmb.com.do

PLAZA CHARO
Plaza Bulevar 2do nivel
Av. Juan Pablo Duarte
Santiago, República Dominicana
Tel: (809) 566-5662
Fax: (809) 620-5662
OPENING HOURS:
Monday – Friday:
9:00 a.m. – 6:00 p.m.

JMMB BDI AFP
Administradora de Fondos de Pensiones, S.A.
MIEMBRO DEL GRUPO JMMB

Av. Gustavo Mejia Ricart, Torre Corporativo 2010, No. 102, Piso 15, Piantini, Distrito Nacional, República Dominicana.
Tel: (809) 566-5662
Fax: (809) 620-5662
OPENING HOURS:
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9:00 a.m. – 6:00 p.m.
www.jmmb.com
Email: info@jmmb.com.do

BOARD OF DIRECTORS

Archibald Campbell - Chairman
Juan Carlos Rodriguez Copello
Keith Duncan
Rafael Medina Quiñones
Ricardo Ginebra - Company Secretary

JMMB Funds
Sociedad Administradora de Fondos de Inversión, S.A.
MIEMBRO DEL GRUPO JMMB

Av. Gustavo Mejia Ricart, Torre Corporativo 2010, No. 102, Piso 15, Piantini, Distrito Nacional, República Dominicana.
Tel: (809) 566-5662
Fax: (809) 620-5662
OPENING HOURS:
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www.jmmb.com
Email: info@jmmb.com.do

BOARD OF DIRECTORS

Patrick Anthony Ellis - Chairman
Rafael Emilio García Albizu
Juan Carlos País Fernández
Paul Gray
Diego Ramón Sosa Sosa
Carlos Alberto del Giudice - Company Secretary

JMMB Bank
Banco de Ahorro y Credito, S.A.

Av. Gustavo Mejia Ricart, Torre Corporativo 2010, No. 102, Piso 12, Piantini, Distrito Nacional, República Dominicana.
Tel: (809) 566-5662
Fax: (809) 620-5662
OPENING HOURS:
Monday – Friday:
9:00 a.m. – 5:30 p.m.
www.jmmb.com
Email: info@jmmb.com.do

BOARD OF DIRECTORS

Archibald Campbell - Chairman
Guillermo Arancibia
Keith Duncan
Ricardo Feris
Jorge Reid
Lizette Solano
Denisse Pichardo - Company Secretary

CORPORATE INFORMATION CONTINUED

Trinidad and Tobago

JMMB Bank

HEAD OFFICE
DSM Plaza, Old Southern Main Road,
Chaguanas,
Trinidad and Tobago
Tel: (868) 800-JMMB (5662)
(868) 665-4425
Fax: (868) 665-6663
www.jmmb.com
Email: infott@jmmb.com

BOARD OF DIRECTORS

Archibald Campbell - Chairman
Hugh Duncan
Keith Duncan
Lorraine Kam
Marjorie Nunez
Nigel Romano
Selby Wilson
Wayne Sutherland
Winston Millett
John Tang Nian
Denise Roopnarinesingh – Company Secretary

PORT OF SPAIN BRANCH
77 Independence Square South,
Port of Spain, Trinidad and Tobago
Tel: (868) 800-JMMB (5662)
(868) 665-4425
Fax: (868) 625-8678
OPENING HOURS:
Monday – Thursday:
9:00 a.m. – 3:00 p.m.
Friday: 9:00 a.m. – 5:00 p.m.

TUNAPUNA BRANCH
30-32 Eastern Main Road,
Tunapuna, Trinidad.
Tel: (868) 800-JMMB (5662)
(868) 665-4425
Fax: (868) 645-1821
OPENING HOURS:
Monday – Thursday:
9:00 a.m. – 3:00 p.m.
Friday: 9:00 a.m. – 5:00 p.m.

SOUTH BRANCH
SouthPark, Tarouba Link Road,
San Fernando, Trinidad
Tel: (868) 800-JMMB (5662)
(868) 665-4425
Fax: (868) 658-5662
OPENING HOURS:
Monday – Friday:
10:00 a.m. – 5:00 p.m.

INTERCOMMERCIAL TRUST AND MERCHANT BANK LIMITED

DSM Plaza, Old Southern Main Road, Chaguanas,
Trinidad and Tobago
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(868) 665-4425
Fax: (868) 671-9120
www.jmmb.com
Email: infott@jmmb.com

BOARD OF DIRECTORS

Archibald Campbell – Chairman
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Hugh Duncan
Lorraine Kam
Winston Millett
Marjorie Nunez
Nigel Romano
Wayne Sutherland
John Tang Nian
Selby Wilson
Denise Roopnarinesingh - Corporate Secretary

JMMB Investments (Trinidad and Tobago) Limited

169 Tragarete Road,
Port of Spain
Tel: (868) 224-JMMB (5662)
(868) 554-5666
Fax: (868) 224-5662
Monday – Friday:
8:00 a.m. – 4:00 p.m.
CENTRAL BRANCH
DSM Plaza, Old Southern Main Road, Chaguanas,
Trinidad and Tobago
Tel: (868) 800-JMMB (5662)
(868) 665-4425
Fax: (868) 671-9120

OPENING HOURS:
Monday – Friday:
8:00 a.m. – 4:00 p.m.
www.jmmb.com
Email: infott@jmmb.com

SOUTH BRANCH
SouthPark, Tarouba Link Road,
San Fernando, Trinidad
Tel: (868) 800-JMMB (5662)
Fax: (868) 658-5820
OPENING HOURS:
Monday – Friday:
8:00 a.m. – 5:00 p.m.

BOARD OF DIRECTORS

Archibald Campbell - Chairman
Kisha Anderson
Michal Andrews
Dr. Marlene Attzs
Keith Duncan
Julian Mair
Wayne Sutherland
Carolyn DaCosta - Company Secretary
Denise Roopnarinesingh - Deputy Company Secretary

JMMB SECURITIES (T&T) Limited
A MEMBER OF THE TRINIDAD AND TOBAGO STOCK EXCHANGE

169 Tragarete Road,
Port of Spain
Tel: (868) 224-JMMB (5662)
Fax: (868) 224-5667
OPENING HOURS:
Monday – Friday:
8:00 a.m. – 4:00 p.m.
www.jmmb.com
Email: infott@jmmb.com

BOARD OF DIRECTORS

Archibald Campbell - Chairman
Kisha Anderson
Michal Andrews
Dr. Marlene Attzs
Keith Duncan
Julian Mair
Wayne Sutherland
Carolyn DaCosta - Company Secretary
Denise Roopnarinesingh - Deputy Company Secretary

CORPORATE PROFILE

The JMMB Group is one of the leading financial groups in the Caribbean, serving approximately 291,000 clients in Jamaica, Trinidad and Tobago and the Dominican Republic. The JMMB Group provides a broad range of financial solutions including investments, banking, remittances and insurance brokering to individual, corporate and institutional clients. Our mission is to maximise client satisfaction through exceptional client care, world class financial advice and expertise. Solidity, ethics, credibility and openness are hallmarks of JMMB, as experts in all aspects of our operations. Grounded in our Vision of Love, our core values of integrity, respect, honesty and love, our cadre of talented team members, and our commitment to helping our clients achieve their financial goals, are the pillars of our success.

CORPORATE STRUCTURE

JMMB Group Limited is the holding company of the JMMB Group of companies, namely: JMMB Bank (Jamaica) Limited; JMMB Money Transfer Limited; Jamaica Money Market Brokers Limited; JMMB Insurance Brokers Limited; JMMB Fund Managers Limited; Capital & Credit Securities Limited; JMMB Real Estate Holdings; JMMB International Limited; JMMB Securities Limited; Jamaica Money Market Brokers (Trinidad and Tobago) Limited; JMMB Investments (Trinidad and Tobago) Limited; JMMB Securities (T&T) Limited; JMMB Bank (T&T) Ltd.; JMMB Holding Company SRL; Banco de Ahorro y Crédito JMMB Bank, S.A.; JMMB Sociedad Administradora De Fondos De Inversion, S.A.; JMMB Puesto de Bolsa, S.A.; and AFP JMMB BDI, S.A.

CORPORATE CITIZENSHIP

The JMMB Group takes its role as a socially-responsible corporate citizen very seriously, and this has been a guiding principle, and a part of our DNA since inception.

JMMB GROUP'S FORMULA

Vision + Values+ Expertise
= Phenomenal Success.

Hence, our structured corporate social responsibility programmes are delivered primarily through the JMMB Joan Duncan Foundation in Jamaica, and localised community initiatives in the countries within which we operate. Throughout the years, our Vision of Love has been extended to communities, supporting various initiatives in the areas of sports, health, education and general outreach.

KEY HIGHLIGHTS:

- The JMMB Group's entry into the commercial banking foray was made official in Jamaica, with the formal transition from JMMB Merchant Bank to the rebranded entity, JMMB Bank on August 14, 2017.
- Jamaica Money Market Brokers Limited, under an approved Scheme of Arrangement, was delisted from the Jamaica Stock Exchange (JSE), Barbados Stock Exchange (BSE) and Trinidad and Tobago Stock Exchange (TTSE), and its parent, JMMB Group Limited, listed on April 13, 2015.
- As a means of deliberate business line diversification in Trinidad and Tobago, JMMB acquired 50% shareholding in Intercommercial Bank Limited (IBL) in 2005, and later gained full ownership of the IBL Group in 2013. On May 2, 2016, IBL Bank was rebranded to JMMB Bank.
- On June 29, 2012, JMMB successfully completed the transaction to acquire the Capital & Credit Financial Group (CCFG) in Jamaica. This enabled the expansion of the JMMB Group, to include the provision of banking, remittance and unit trust products and services, to its client base.
- In October 2007, JMMB Puesto de Bolsa opened its doors in the Dominican Republic, with a mandate to actively develop the money market in one of the largest Spanish-speaking Caribbean islands.
- Jamaica Money Market Brokers (JMMB) opened for business in November 1992, as the first money market broker in Jamaica.

LONG-TERM SUCCESS:

In continuing on the path of success, the JMMB Group continues to put measures in place to streamline our operational synergies; build our business by investing in infrastructure, technology and training; and improving channel delivery of financial solutions to our clients.

SUMMARY OF KEY PERFORMANCE HIGHLIGHTS FROM JMMB GROUP AUDITED RESULTS FOR THE 2017/18 FY ENDED MARCH 31, 2018

J$2.18
EARNINGS PER STOCK UNIT

J$7.74bn
NET INTEREST INCOME

J$15.84bn
OPERATING REVENUE

J$3.60bn
NET PROFIT

291,000+
CLIENT BASE


We believe
in empowering businesses to reach their potential.
THE JMB GROUP LTD.

Archibald Campbell
Group Chairman

GROUP CHAIRMAN'S REPORT

We are pleased to submit the Annual Report for the JMMB Group for the year ended March 31, 2018. The JMMB Group posted a net profit of J$3.6bn and an operating revenue of J$15.84bn, an increase of 8.1% over the prior year. Earnings per share stood at J$2.18.

In the Financial Year 2017-18, the Group and its subsidiaries continued to perform well, reflecting strong fundamentals and steady core growth.

Our carefully developed mix of business lines across Jamaica, Trinidad and Tobago and the Dominican Republic, remains a key competitive advantage. It provides balance and diversification across geographies, and a variety of risks, helping us deliver effective solutions to our clients, and distinctive value to our shareholders. Overall, the core businesses of the Group continued to show steady growth as we continue to put the capabilities in place to build out other areas of the business model.

A more in depth analysis of the performance of each business line and of our overall results is presented in the Management Discussion and Analysis Section of this report.

KEY HIGHLIGHTS OF THE FY 2017-18

The JMMB Group celebrated some key milestones in 2017-18, which marked significant achievements in our 25th year of operating. We continued the build-out of the Group's integrated financial services business model, marked by the launch of commercial banking operations in Jamaica, as we transitioned our merchant banking services into commercial banking services. With the addition of JMMB Bank (Jamaica) Limited, we have increased the financial solutions offerings to our clients, who remain committed to the JMMB brand, regionally.

Our Dominican Republic operation introduced its pensions fund management business– JMMB Administradora de Fondos de Pensiones (JMMB AFP), thus broadening the financial services to our Dominican Republic clients.

JMMB Investments (Trinidad and Tobago) Ltd posted 50% growth in funds under management, increased market share and presence in the equities trading market moving from 10% to 15%, and began servicing the island of Tobago.

We are very proud of these expanded and diversified business lines which are in line with our regional integrated financial services business model, that will further position the JMMB Group to achieve its long-term strategic objectives.

We continue to put a high priority on capital generation and return to shareholders, while investing in our business and maintaining a strong balance sheet. To this end, the Group successfully raised J$9.13bn with the issuance of four(4) tranches of Cumulative Redeemable Preference Shares, with US$ and J$ options in February 2018, the largest Preference Share offering for the Group to date. This is indeed a significant milestone for the Group. The proceeds from this issue will be used to increase the capital base of the Group and provide strength and flexibility for the pursuit of new opportunities in line with our regional expansion activities.

We were humbled that our commitment to improving the lives of our fellow Caribbean people, through our Programme – Conversations for Greatness - which was endorsed by the Ministry of Education to be done in all schools in Jamaica. This is indeed a significant milestone for the JMMB Joan Duncan Foundation and the JMMB Group. We wish to thank all the volunteers who gave of their time through the JMMB Joan Duncan Foundation, to deliver this programme with love and a deep sense of care for our people.

Our 25th year anniversary achievements were further cemented by the JMMB Group being awarded the prestigious Governor General's Award for Excellence for the Main Market at the Jamaica Stock Exchange's (JSE) Best Practices Awards for 2017. The Group copped a total of seven (7) awards across various categories recognised by the JSE.

Our achievements in 2017 and over the last 25 years will be hallmarks of our pride of the past that will now form the stepping stone for moving the JMMB Group forward into the future.

ACKNOWLEDGEMENTS

The work and contribution of our Board of Directors across the Group was thorough and vital, and we thank them for their support. Since last year's annual report, we have had an addition to the JMMB Group Board. We wish to welcome Ms. Patria-Kaye Aarons who has brought fresh insights to our deliberations.

We also wish to acknowledge and commend the leadership and management team for their expertise and commitment to leading the team, in the pursuit of achieving the Group's overall strategic objectives. We acknowledge that the regional competitive landscape is dynamic and unpredictable and will continue to work in partnership with you to balance the business decisions that will drive the Group forward.

The Group's ability to deliver on its promises to our clients and shareholders strongly depends on the talent and commitment of the teams across the region. The diversity of experiences and ideas of our team members, in every aspect of our operations, enables us to better understand the needs of our growing client base to provide them with innovative and tailored solutions. For this we are very grateful for all our team members' commitment to the JMMB Group, and wish to thank each and every one, for the role they play in delivering the Group's client value proposition.

All of the Group's achievements rest on a deeper foundation: the trust that we have earned from our clients and shareholders. We thank our clients for their commitment to the JMMB brand to serve them throughout their lifecycle, and our shareholders for the continued confidence in partnering with us.

LOOKING AHEAD WITH CONFIDENCE

We are confident that the quality of our businesses and consistency in execution will enable us to continue producing distinctive returns, while also investing in our businesses for future growth. We are excited about the longer term investments we are making, including those that will enable us to connect with our clients with greater agility and accelerate our growth rate over time.

We are committed to Jamaica's strategic goal of financial inclusion and opportunity and will be working to facilitate the development of supportive systems to enable inclusive growth.

Throughout our 25 year journey, we have been steadfast in its dedication to our clients, communities and countries we serve, while earning a fair return for our shareholders. This has provided us with a solid platform for guiding us into the future.

Looking ahead, we remain confident that the strengths that have served us well in the past, our strategic mix of high quality businesses, strong capital position, consistent strategy and purpose, and our people and culture, will enable us to continue delivering distinctive results and long-term value for all our stakeholders.

We continue to have great confidence in the long-term success of the Group: the strategy is sound and management is focused. Thank you for your continued support and interest in JMMB, our purpose, people and our culture.

Archibald Campbell
Group Chairman

TEN-YEAR STATISTICAL REVIEW

GROUP FINANCIAL DATA	YEAR ENDED 31-MAR-18 (J$`000)	YEAR ENDED 31-MAR-17 (J$`000)	YEAR ENDED 31-MAR-16 (J$`000)	YEAR ENDED 31-MAR-15 (J$`000)
Total assets	291,715,730	251,556,110	230,607,286	217,715,302
Investment securities	194,905,868	171,571,803	156,976,090	157,226,757
Other interest earning assets	56,745,744	68,943,293	63,181,485	50,869,527
Repurchase agreements	158,167,289	156,647,595	149,262,369	144,501,658
Customer deposits	52,165,066	49,087,517	41,296,373	38,463,504
Stockholders' equity	29,003,747	26,794,699	22,716,581	21,723,064
Funds under management	357,782,858	281,101,963	250,485,809	238,695,980
GROUP FINANCIAL DATA	**(J$`000)**	**(J$`000)**	**(J$`000)**	**(J$`000)**
Operating revenue net of interest expense	15,840,957	14,650,056	11,424,075	10,319,661
Operating expenses	11,438,948	10,446,222	8,781,265	7,787,697
Profit before tax	4,352,989	4,156,046	2,595,557	2,354,039
Net profit	3,604,404	3,350,531	2,299,231	2,047,282
Dividends paid and proposed (in respect of the financial year)	766,360	733,749	603,304	521,776
Profit retained (in respect of the financial year)	2,838,044	2,616,782	1,695,926	1,525,506
GROUP FINANCIAL DATA	**(J$`000)**	**(J$`000)**	**(J$`000)**	**(J$`000)**
Earnings per stock unit (cents)	218	203	139	118
Dividends per stock unit (cents)	47	45	37	32
Dividend payout ratio	21.26%	21.90%	26.24%	25.49%
Price earnings ratio (multiple)	11.93	8.28	7.21	5.96
Return on average equity	12.92%	13.53%	10.35%	10.13%
Return on average assets	1.33%	1.39%	1.03%	0.96%
Book value per stock unit (J$)	17.12	15.89	13.45	12.86
Net interest margin	3.10%	2.81%	2.57%	2.60%
Efficiency ratio (Admin. exp/ Revenue)	71.78%	71.09%	76.64%	75.17%
GROUP FINANCIAL DATA	**(J$`000)**	**(J$`000)**	**(J$`000)**	**(J$`000)**
Exchange rate J$ per US$1.00	127.21	128.67	121.70	114.77
Inflation rate (year over year)	3.90%	4.14%	2.90%	4.00%
Market Price per share (JSE closing price-J$)	26.00	16.81	10.01	7.06
Number of stock units at year end	1,630,552,532	1,630,552,532	1,630,552,532	1,630,552,530
Market capitalisation	42,394,365,832	27,409,588,063	16,321,830,845	11,511,700,862

YEAR ENDED 31-MAR-14	YEAR ENDED 31-MAR-13	YEAR ENDED 31-MAR-12	YEAR ENDED 31-MAR-11	YEAR ENDED 31-MAR-10	YEAR ENDED 31-MAR-09	YEAR ENDED 31-MAR-08
(J$`000)	(J$`000)	(J$`000)	(J$`000)	(J$`000)	(J$`000)	(J$`000)
230,607,286	166,860,961	124,736,554	113,019,058	122,975,370	111,193,465	102,415,766
156,976,090	138,412,944	108,153,801	98,233,393	104,887,535	96,260,862	85,570,383
63,181,485	14,118,039	5,929,366	3,996,291	6,113,434	4,904,285	8,395,103
149,262,369	135,907,311	107,591,924	97,068,266	102,844,985	90,110,998	88,246,690
41,296,373	7,567,380	-	-	-	-	-
22,716,581	17,212,876	10,872,131	9,402,331	6,890,736	5,326,814	6,660,504
250,485,809	165,584,482	121,683,458	111,423,910	122,876,617	110,184,670	111,757,466
(J$`000)	(J$`000)	(J$`000)	(J$`000)	(J$`000)	(J$`000)	(J$`000)
8,732,250	6,243,316	5,987,479	4,073,084	3,095,678	4,849,213	3,324,949
5,670,247	4,616,625	3,214,703	2,585,949	2,109,128	2,455,567	2,177,396
3,398,051	3,647,375	2,814,017	1,509,635	1,028,312	1,544,528	1,254,902
3,062,059	3,856,863	2,240,456	1,142,930	986,378	1,102,622	1,061,610
538,082	375,027	453,650	234,142	204,874	175,606	336,579
2,523,977	3,481,836	1,786,806	908,788	781,504	927,016	725,031
(J$`000)	(J$`000)	(J$`000)	(J$`000)	(J$`000)	(J$`000)	(J$`000)
174	235	151	76	67	75	73
33	23	31	16	14	12	23
17.57%	9.72%	20.25%	20.49%	20.77%	15.93%	31.70%
4.05	3.00	6.50	6.04	5.93	7.96	16.10
16.83%	27.47%	22.10%	14.03%	16.15%	18.40%	15.27%
1.58%	2.65%	1.88%	0.97%	0.84%	1.03%	1.11%
11.24	10.24	7.37	6.39	4.69	3.63	4.54
3.02%	3.05%	3.10%	2.46%	1.71%	1.34%	1.63%
64.86%	73.08%	53.59%	63.08%	67.80%	49.70%	65.49%
(J$`000)	(J$`000)	(J$`000)	(J$`000)	(J$`000)	(J$`000)	(J$`000)
109.28	98.41	87.10	85.63	89.39	88.35	71.02
8.35%	9.13%	7.30%	7.80%	13.31%	12.40%	19.90%
7.04	6.20	9.81	4.61	4.00	6.00	11.75
1,630,552,530	1,630,552,530	1,463,386,752	1,463,386,752	1,463,386,752	1,463,386,752	1,463,386,752
11,479,089,811	10,109,425,686	14,355,824,037	6,746,212,927	5,853,547,008	8,780,320,512	17,194,794,336

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the FIFTH ANNUAL GENERAL MEETING of JMMB Group Limited (the Company) will be held at the Jamaica Pegasus Hotel, Grand Jamaican Suite, 81 Knutsford Boulevard, Kingston 5, Jamaica on Wednesday, September 19, 2018 at 10:30 A.M. to consider, and if thought fit, to pass the following resolutions:

AS ORDINARY RESOLUTIONS:

1. TO RECEIVE THE REPORTS OF THE DIRECTORS AND AUDITORS AND THE AUDITED ACCOUNTS FOR THE TWELVE (12) MONTHS ENDED MARCH 31, 2018.

"THAT the Reports of the Directors and Auditors and the Audited Accounts for the year ended March 31, 2018 circulated with the notice convening the meeting be adopted".

2. TO RATIFY INTERIM DIVIDEND PAYMENTS AND DECLARE THEM FINAL.

"THAT the interim dividends of Twenty Two Cents (22¢) paid on December 19, 2017 and Twenty Seven Cents (27¢) paid on June 29, 2018, making a total of Forty Nine Cents (49¢) for the year, be and are hereby ratified and declared as final and that no further dividend be paid in respect of the year under review."

3. TO RE-APPOINT DIRECTORS

The directors retiring from office by rotation pursuant to Article 102 of the Company's Articles of Incorporation are Mrs. Donna Duncan-Scott, Mr. Hugh Duncan, Mr. Dennis Harris and Mr. Reece Kong who being eligible offer themselves for re-election.

(a) "THAT Director Donna Duncan-Scott who retires by rotation and being eligible for re-election be and is hereby re-elected a Director of the Company";

(b) "THAT Director Hugh Duncan who retires by rotation and being eligible for re-election be and is hereby re-elected a Director of the Company".

(c) "THAT Director Dennis Harris who retires by rotation and being eligible for re-election be and is hereby re-elected a Director of the Company".

(d) "THAT Director Reece Kong who retires by rotation and being eligible for re-election be and is hereby re-elected a Director of the Company".

4. ELECTION OF DIRECTORS

In accordance with Article 108 of the Company's Articles of Incorporation, the following director, having been appointed during the year, retires and is eligible for re-election;

"That Director Patria-Kaye Aarons having been appointed during the year, retires and being eligible offers herself for re-election."

5. TO APPOINT AUDITORS AND AUTHORISE THE DIRECTORS TO FIX THE REMUNERATION OF THE AUDITORS.

"THAT KPMG, Chartered Accountants, having agreed to continue in office as auditors, be and are hereby appointed auditors of the Company to hold office until the next Annual General Meeting at a remuneration to be fixed by the Directors of the Company".

6. TO APPROVE DIRECTORS' REMUNERATION

"That the amount included in the Audited Accounts of the Company for the year ended March 31, 2018, as remuneration for their services as Directors be and is hereby approved."

AS SPECIAL RESOLUTIONS:

1. TO AUTHORISE THE ISSUE OF FURTHER PREFERENCE SHARES

"BE IT RESOLVED AS A SPECIAL RESOLUTION that the Company be and is hereby authorised to issue and allot to successful applicants up to 4,000,000,000 new Cumulative Redeemable Preference Shares, with such rights/restrictions and terms and manner of redemption as shall be determined on behalf of the Company by the Directors of the Company or a Committee of Directors of the Company appointed by the Directors for such purpose."

2. TO AUTHORISE THE DELISTING OF THE COMPANY'S ORDINARY SHARES FROM THE BARBADOS STOCK EXCHANGE INC.

"BE IT RESOLVED AS A SPECIAL RESOLUTION that all of the Company's issued and outstanding Ordinary Shares be delisted from the Barbados Stock Exchange in accordance with the Rules of the Barbados Stock Exchange Inc. dated October 12, 2015, the Securities Act, Cap. 318B of the laws of Barbados and any other applicable laws of Barbados and that the directors of the Company be and are hereby authorised and directed to do all things necessary or desirable to give effect to the delisting."

Dated this 1st day of July 2018

By Order of the Board

Carolyn DaCosta
Corporate Secretary

REGISTERED OFFICE
6 Haughton Terrace
Kingston 10

NB: A member entitled to vote at the meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy need not be a member of the company. Enclosed is a Form of Proxy for your convenience, which must be lodged at the Company's Registered Office at least forty-eight (48) hours before the time appointed for holding the meeting. The Form of Proxy shall bear the stamp duty of $100.00. The stamp duty may be paid by adhesive stamp(s) to be cancelled by the person executing the Proxy.

BOARD OF DIRECTORS

ARCHIBALD CAMPBELL
CHAIRMAN

Archibald is the Chairman of JMMBGL and most of its subsidiaries and Chairman of the Board of Trustees of the JMMB Pension Fund. He is also a Director of JMMB Bank (Jamaica) Limited and sits on its Board Credit Committee. Archibald has been part of the financial services sector for a number of years and has sat on the Boards of several institutions and companies in the financial and tourism sector among others.

He is a Fellow of the Institute of Chartered Accountants of Jamaica (ICAJ) and is a past president of the Institute. He is currently serving as the Chairman of the ICAJ's Investigations Committee. He has also served as an Accounting Expert in Arbitration.

Archibald read for both his Bachelor and Masters of Science degrees in Accounting at the University of the West Indies. He served as a faculty member at his alma mater and was the Chief Financial Officer and University Bursar with regional oversight of the Institution.

KEITH DUNCAN
EXECUTIVE DIRECTOR & GROUP CEO

Keith is the Group Chief Executive Officer and has served in this capacity since 2005. A true visionary and strategist, he built one of the strongest trading teams in Jamaica. His financial expertise has not only benefited the JMMB Group, but also the Jamaican financial sector. A former president of the Jamaica Securities Dealers' Association, he was involved in the partnership with the FSC in designing and implementing new structures and models to enhance the effectiveness of Jamaica's market players.

Keith served as a Vice-President of the Private Sector Organization of Jamaica during the period 2012 to 2014 and continues to contribute to Jamaica through various roles including co-chair of the Economic Programme and Oversight Committee (EPOC). He holds the Chartered Financial Analyst designation as well a B.A. (Economics) from the University of Western Ontario in Canada.

PATRIA-KAYE AARONS
DIRECTOR

Patria-Kaye brings over 15 years' experience in launching and successfully marketing brands and products to her role as a director of JMMBGL. She has also made a celebrated impact in Fortune 500 companies namely Western Union and Sharp Corporation, and was integral in the shaping of two of Jamaica's biggest brands, Digicel and GraceKennedy, in Jamaica and abroad.

This experienced communications practitioner is also the chief executive officer of Sweetie Confectionery (Jamaica) Limited. Her entrepreneurial prowess has seen her being recognized as the 2017 Entrepreneur of the Year by the Jamaica Chamber of Commerce.

Patria-Kaye holds a Bachelor of Arts in Media and Communications from The University of the West Indies, Mona and a Master of Science in Management from University of Edinburgh.

ANNE CRICK, PHD
DIRECTOR

Anne chairs JMMBGL's Board Nominations and Corporate Governance Committees and sits as a member on its Culture and Human Development Board Committee. She serves on the advisory council of the Jamaica Customer Service Association and is a member of the Board of Studies for the College of Insurance and Professional Studies. She is also an Honorary Fellow of the Jamaica Institute of Management.

Anne is also a Senior Lecturer at the University of the West Indies and a former Associate Dean of the Faculty of Social Sciences and former Head of Department for the Centre of Hospitality and Tourism Management (Nassau) and the Department of Management Studies (Mona) respectively.

Anne holds a B.Sc. in Hotel Management from the University of the West Indies, a M.Sc. with Honours from Pennsylvania State University and a Ph.D. in Organizational Management from Rutgers the State University of New Jersey.

ANDREW COCKING
DIRECTOR

Andrew spends time pursuing his own personal interest outside of his board responsibilities. His professional career includes a career started in banking at Citibank, Jamaica in Treasury Management and Corporate Banking, Managing Director of Pan Caribbean Merchant Bank, President of the Merchant Bankers Association, and at Capital & Credit Financial Group (CCFG) where he served on the Board, in senior management and was one of the founders of the business.

A trained engineer, he received a Bachelor of Science degree in Civil Engineering from Howard University in 1981, and in 1983 a Master of Science degree in Management and Public Policy from the Heinz College of Information Systems. Public Policy Management at Carnegie Mellon University.

Andrew has served as a director on numerous boards in both the Public and Private Sectors including Cable & Wireless Jamaica Limited, Heart Trust NTA, and Students' Loans Bureau and is now active on the Boards of JMMB Money Transfer Ltd. and Kidney Kids Foundation. Andrew is also a member of JMMBGL's Finance Committee.

PATRICIA DAILEY–SMITH
DIRECTOR

Patricia has over twenty-five (25) years of experience in professional auditing and accounting spanning several industries, including financial services, public sector, hospitality and tourism, telecommunications, higher education, health care and manufacturing. She has a breadth of local and international experience, having held senior positions at KPMG. She chairs the Board Finance Committee and sits as a member on its Audit Committee.

In addition to being a holder of a Bachelor of Science degree in Management Studies from the University of the West Indies, Mona, Patricia is a Chartered Accountant and a member of the Association of Chartered Certified Accountants (ACCA).

She is currently a trustee on the JPSCO (Original 1973) Employees Pension Plan. She was formerly a member of the Institute of Chartered Accountants of Jamaica, the chair of the Student Accountancy Training Consortium Finance Committee and KPMG American Chamber of Commerce (AMCHAM) representative.

AUDREY DEER-WILLIAMS
DIRECTOR

Audrey currently holds the position of Chief Technical Director in the Ministry of Labour and Social Security. She serves as a director on several boards including JMMB Joan Duncan Foundation and Sweet River Abattoir and Supplies Limited. Audrey chairs the Group's Culture and Human Development Board Committee and sits as a member on its Board Risk Committee.

She holds a Bachelor of Science degree with a double major in Economics and Accounting from the University of the West Indies, Mona and a Master in Business Administration from Manchester Business School.

DONNA DUNCAN-SCOTT
DIRECTOR

Donna is guided by the philosophy that: "We were born to manifest the glory of God. It is not just in some of us; it is in every one of us". She is committed to sharing this fundamental truth in all aspects of her life. As Group Chief Culture and Human Development Officer, she leads the design and development of programmes and practices to deepen JMMB's unique culture of being in the world of team members and clients and having their best interest at heart.

Donna has a B.Sc. in Engineering, as well as an MBA from the Richard Ivey School of Business at the University of Western Ontario in Canada. She also holds the distinguished Chartered Financial Analyst designation.

HUGH DUNCAN
DIRECTOR

Hugh is the Head of JMMB Group Capital Markets Unit and was CEO & Managing Director of Intercommercial Bank Limited Trinidad & Tobago which is now JMMB Bank (T&T) Ltd. He is a member of the Board of JMMB Bank (T&T) Ltd and sits on its Credit & Risk Committees.

Hugh was the Director of Capital Markets -Northern Caribbean region with FirstCaribbean International Bank (FCIB) and served as a member of Citibank's International staff based in Manila Philippines. He was also the Corporate Bank Head for Citibank (Trinidad) before joining the International Staff.

In addition to his wealth of experience in the financial services sector, Hugh functioned in senior positions with the Jamaica Bauxite Mining Company Limited and the Petroleum Company of Trinidad & Tobago Limited (Petrotrin).

Hugh holds an MBA from Concordia University and a Bachelor of Commerce Degree from Sir George Williams University, Montreal, Canada.

DENNIS HARRIS
DIRECTOR

Dennis is the chairman of JMMB Bank (Jamaica) Limited and sits on JMMBGL's Culture and Human Development, Audit, Finance, Risk and Nominations and Corporate Governance Board Committees. In 2011, he assumed the position of Managing Director of Unicomer Jamaica Limited, building on the strong track record established while he was the Regional Finance Director for Courts Jamaica Limited's operations in the Caribbean with specific responsibility for Finance, Treasury, Credit and Information Technology.

Dennis also serves as a director on the board of CGM Gallagher Group Limited and is a Chartered Accountant.

REECE KONG
DIRECTOR

With over two decades of experience as an information technology professional, Reece is the Managing Director and founder of RMP & Associates Limited, an information technology company that provides technological expertise to various government agencies, financial institutions and other corporate entities. Reece has held several senior positions at Advanced Integrated Systems (AIS) and was also a part of the technical team at Kingston Terminal Operators Limited. He chairs JMMBGL's Information Systems Board Committee and is a member of its Board Risk Committee.

He is the holder of a Bachelor of Science degree from Nova Southeastern University and is a proud Calabar alumnus.

H. WAYNE POWELL, OD, JP
DIRECTOR

Wayne is a business, financial and leadership consultant who has amassed three decades of executive management experience at Scotiabank in Jamaica and the Caribbean. His over 45-year career has been a long and decorated one in which he has provided leadership for both corporate and retail banking divisions, banking operations, sales & marketing, insurance, investments, customer experience and call centre operations.

In recognition of his stellar contribution to the banking sector, Wayne was conferred with the Order of Distinction (OD) by the Government of Jamaica in 2016.

In addition to his wealth of experience, he is the holder of a Master of Business Administration from Barry University and is an Associate of the Chartered Institute of Bankers, London (ACIB).

Wayne is also a director of JMMB Bank (Jamaica) Limited. He serves on the Bank's Board Credit Committee and JMMBGL's Culture and Human Development Committees. He is currently the chairman of Jencare Skin Farm Limited and the Open Arms Drop-In-Centre as well as a director of The Friends of the Homeless and the Jennifer Samuda Foundation. He is a Justice of the Peace for the parish of St. Andrew.

WAYNE SUTHERLAND
DIRECTOR

Wayne is the Managing Director of Jamaica Venture Fund Limited, a company that makes venture capital investments. He serves as a Director of JMMB Bank (T&T) Limited, JMMB Investments (Trinidad and Tobago) Limited, JMMB Securities (T&T) Limited and Intercommercial Trust and Merchant Bank Limited. He is a member of the Group Information Systems, Audit and Nominations and Corporate Governance Board Committees.

A former director of Jamaica's Securities Commission (now the FSC), he is currently chairman of Kencasa Construction & Project Management Limited and the St. Hugh's Preparatory School Board. Wayne holds a Bachelor of Science degree from University of the West Indies and an MBA from the Columbia University Graduate School of Business.

AUDREY WELDS
DIRECTOR

Audrey has had a distinguished legal career encompassing both the private and public sectors. She is now an academic with more than a decade of experience in teaching law courses at both the undergraduate and graduate levels at the University of the West Indies, Mona and the Norman Manley Law School.

Audrey holds a Bachelor of Laws (LL.B.) degree from the University of the West Indies, Cave Hill, a Certificate of Legal Education from the Norman Manley Law School and a Master of Laws (LL.M.) degree from the University of London. She was admitted to the Jamaican Bar in 1983.

Audrey is a member of JMMBGL's Nominations and Corporate Governance Committee.

An active member of the legal fraternity, she has served on sub-committees of the Jamaican Bar Association and currently sits on the Accounting Reports Committee and the Proceeds of Crime Act Committee of the General Legal Council.

V. ANDREW WHYTE
DIRECTOR

Andrew was appointed to Jamaica Money Market Brokers Limited Board in 2002 and to the Board of the new parent company, JMMB Group Limited, in 2015. He is a Board member of several subsidiary companies including JMMB Bank (Jamaica) Limited and JMMB Puesto de Bolsa, S.A. He chairs the Audit Committee of both the Group and JMMB Bank (Jamaica) Limited and is a member of the Finance and Risk Committees. He is the Group Treasurer at Jamaica Producers Group (JPG) and chairs the Board of Trustees of the JPG Pension Plan. He also chairs the Board of Management of Emmanuel Christian Academy.

Andrew has a MBA in Finance and Economics and a BSc. in Chemical Engineering.

CAROLYN DACOSTA, JP
CORPORATE SECRETARY

Carolyn, in her current capacity, has overarching responsibility for ensuring that the JMMB Group complies with standard financial and legal practices and maintains the defined standards of corporate governance. As such, she oversees the establishment, implementation and monitoring of the Group's compliance and regulatory framework.

In keeping with the Group's commitment to effective corporate governance, she ensures compliance with all relevant statutory and regulatory requirements, monitors changes in relevant legislation and ensures the taking of appropriate action, as required.

Carolyn's professional qualifications include a Bachelor of Laws degree from the University of London, a Bachelor of Arts degree from the University of the West Indies, and an MBA in Finance from the Manchester Business School. Additionally, she is a Fellow Member of the International Compliance Association and a Justice of the Peace for the parish of St. Catherine.

TOP 10 SHAREHOLDERS
AS AT MARCH 31, 2018

ORDINARY SHARES 1,630,552,532

SHAREHOLDERS	SHAREHOLDINGS	PERCENTAGE OWNERSHIP
NCB CAPITAL MARKETS (IN ESCROW)	428,777,325	26.296
TRUSTEES JMMB ESOP	149,776,832	9.186
COLONIAL LIFE INSURANCE CO. (TRINIDAD) LTD	103,453,776	6.345
NATIONAL INSURANCE FUND	79,672,997	4.886
CONCISE E.I. LTD	59,965,366	3.678
SJIML A/C 3119	153,583,000	3.286
JVF O.E. LTD	44,484,372	2.728
JVF E.I. LTD	40,311,674	2.472
CONCISE O.N. LTD	38,530,103	2.363
GRACELYN O.E. LTD	37,175,196	2.280

SHAREHOLDINGS OF DIRECTORS

AS AT MARCH 31, 2018

DIRECTORS	SHAREHOLDING - ORDINARY	CONNECTED PARTIES
1 Donna Duncan-Scott	7,678,110	ESOP
	Nil	Alwyn Scott
	36,776,951	JVF O.N. Ltd
	38,530,103	Concise O.N. Ltd
2 Archibald Campbell	18,400	
	344,827	Odette Campbell
3 Keith P. Duncan	20,591	
	59,965,366	Concise E.I. Ltd
	38,530,103	JVF E.I. Ltd
	846,745	ESOP
4 V. Andrew Whyte	Nil	
5 Wayne Sutherland	Nil	
	28,540,838	Concise R.I. Ltd
6 Dennis Harris	364,277	
7 Dr. Anne Crick	5,234	
8 Hugh Duncan	4,828	
9 Reece Kong	Nil	
10 Audrey Welds	100,000	
11 Audrey Deer Williams	Nil	
12 Andrew Cocking	11,127,170	
13 Hugh W. Powell	57,800	
14 Patricia Daley-Smith	Nil	
15 Patria-Kaye Aarons	Nil	

SHAREHOLDINGS OF LEADERSHIP TEAM
AS AT MARCH 31, 2018

EXECUTIVE TEAM LEADERS	SHAREHOLDING - ORDINARY	CONNECTED PARTIES
1 Donna Duncan-Scott	7,678,110	ESOP
	Nil	Alwyn Scott
	36,776,951	JVF O.N. Ltd
	38,530,103	Concise O.N. Ltd
2 Keith P. Duncan	20,591	
	59,965,366	Concise E.I. Ltd
	38,530,103	JVF E.I. Ltd
	846,745	ESOP
3 Sheldon Powe	23,000	
	2,022,857	ESOP
4 Carolyn DaCosta	390,952	
	57,921	ESOP
	3,357	Craig DaCosta
	127,169	Dermott DaCosta
	4,795	Merline DaCosta
	5,237	Amanda DaCosta
5 Kisha Anderson	500,110	
	57,921	ESOP
	29,328	Elizabeth Thompson
	10,000	Rebekah Hoilett
	1,500	Gail Barrett

EXECUTIVE TEAM LEADERS	SHAREHOLDING - ORDINARY	CONNECTED PARTIES
6 Paul Gray	658,587 699,043 554,866	 ESOP Teverly Gray
7 Julian Mair	239,711	ESOP
8 Patrick Ellis	239,872	ESOP
9 Janet Patrick	808,823 18,432	ESOP
10 Damion Brown	210,677	ESOP
11 Kerry Ann Stimpson	780,032	ESOP
12 Claudine Tracey	908,000	ESOP


We believe
in celebrating the diversity
of our talent, cultures,
experiences and expertise.


THE
GROUP LTD.

REGIONAL MACROECONOMIC LANDSCAPE

GLOBAL PERFORMANCE IN 2017

Improvements in the global economy which started in mid-2016 continued through to 2017 as a rebound in global trade helped to push growth to 3.8%. The performance was buoyed by recovery in investments in advanced economies, strong performance in Eastern Europe, and recovery in some commodity based economies. The outlook is that the global economy will expand by around 3.9% in 2018 and 3.7% in 2019 driven by higher levels of growth in the US, Eastern Europe, China and commodity dependent economies. Fiscal expansion in the US, accommodative monetary policy in Europe, and strong commodity prices are key drivers to propel growth during the period.

For Latin America and the Caribbean (LAC), real economic growth is estimated to have expanded by 0.9% in 2017 following two consecutive years of decline. Growth in the region was driven by increased output in Brazil, while deeper than expected contraction in output in Venezuela was a drag on regional growth. Rise in private consumption provided the impetus for expansion while contraction in investment over the past four years has hindered higher rate of economic expansion. Within the Caribbean sub-region, real economic growth expanded by 2.2% compared to expectation of over 3%. The lower outturn was due in part to hurricanes during the second half of the year which damaged infrastructure and resulted in lower tourist arrivals.

Looking ahead, growth in LAC is expected to improve to 2% in 2018 and to 2.6% in 2019. The improved outlook is predicated on increasing private consumption and investments, especially in commodity-dependent countries in the region, which are expected to amplify the growth momentum.

Risk to the global economy is slowly tilting towards the downside due to the emergence of increased geo-political conflicts and accelerated rise in commodity prices, particularly oil, which could push the global economy on a lower growth path and amplify inflationary pressures. Emergence of higher than anticipated inflation could accelerate monetary policy tightening in developed countries, driving up interest rates in the process and put a damper on consumption and investment activities. The net outcome, should such a scenario play out, is lower than programmed world growth.

OIL PRICE

Commodity prices – hydrocarbons, metals, and food – increased in 2017 relative to 2016. At the end of December, 2017 West Texas Intermediate crude oil prices averaged US$57.88 per barrel (p/b) and were 56.2% and 11.2% higher than the similar period in 2015 and 2016, respectively. By the end of March, 2018 prices moved up to US$62.73 p/b, which were 8.4% and 27.2% higher than December and March 2016, respectively. The rise in prices reflect unplanned outages on the US Gulf Coast and in Libya, the North Sea, and Venezuela; an extension to the end of 2018 of the 14-member Organisation of the Petroleum Exporting Countries (OPEC) agreement on production targets; and stronger global economic growth (WEO April 2018, IMF).

In 2016, OPEC formed an alliance with 11 non-OPEC countries, including Russia, to cut production by 1.8 million barrels er day (b/d), or just around 2% of global supplies. The agreement, which commenced in January 2017, was set to end March 2018. However, the parties have agreed to extend the cut through to December 2018.

Total world oil consumption is over 97 million b/d, of which production by OPEC countries accounts for 31 million b/d (32%). The economies of the majority of OPEC members is heavily dependent on oil and countries without large sovereign funds such as Iraq, Libya, Nigeria, and Venezuela need sustained prices of between US$80 - $100 p/b to balance their budget. In the past OPEC was simply able to cut production to boost prices. However, there is a paradigm shift as shale oil producers in the US could steal market share in the event of deep production cuts by the cartel. Higher oil price incentivises shale oil producers in the Unites States. Data from the US Energy Information Agency indicates that US production averaged 9.3 million p/d in 2017 and is expected to grow to 10.7 million b/d by end-2018.

What path will oil prices take for the rest of 2018? OPEC and members of the alliance need prices to remain elevated to support government spending and drive economic growth. Saudi Arabia, the lead deal broker in OPEC, has been running fiscal deficits upward of 11% per annum since 2014, resulting in the sovereign tapping the international capital market to raise funds for budget support, which is unprecedented. The Kingdom is currently embroiled in a proxy-war in neighbouring Yemen and has signaled its intention to sell 5% in the state owned oil company Aramco via an initial public offer. Both of these endeavours require oil prices to remain high, as resources are needed to finance the war effort as well as to boost the company's price. Russia too wants prices to stay high, as the country is reeling from the effect of US-led sanctions following the war in the Ukraine and subsequent annexation of the Crimea in 2016. However, further cuts in production to boost prices could result in OPEC members ceding market share to shale oil producers in the US, a situation members of the alliance would want to avoid.

Two events that could help shape conditions during the year are 1) escalation in the conflict in Syria and cross-border skirmishes between Iranian and Israeli forces; and 2) Imposition of sanction on Iran by the US following the US withdrawal from the Nuclear disarmament treaty. Both of these events could lead to instability in oil markets and help to push oil prices upward, which in turn could pull natural gas prices along.

Sharp rise in oil prices could derail growth in the world economy and result in inflation pressures in net-oil importing countries such as the Dominica Republic and Jamaica. In the main the petroleum sector in Trinidad and Tobago stands to benefit. However, the sovereign's non-Petroleum exports to the wider Caribbean could be further curtailed, as these countries grapple with internal price and external liquidity pressures due to higher energy prices.

JAMAICA

Real gross domestic product (GDP) growth is estimated to have expanded by 0.9% during fiscal year 2017/18. There were noticeable expansion in all sectors with the exception of Agriculture. During the period the economy benefited from a benign external environment which was complemented by continued improvements in the domestic macroeconomic framework. The Goods Producing and Service Industries expanded by 0.5% and 1.1%, respectively.

Within the Goods Producing Industry there were noticeable improvements output for Mining & Quarrying, which expanded by 4.7%. The higher valued added in the sector was due to the resumption of works at the Alpart Alumina Plant in Q4:17 resulting in increased crude bauxite production during the second half of the fiscal year. Manufacturing, Construction and Electricity & Water supply experienced growth of 1.4%, 1.1% and1%, respectively. These sectors have been buoyed by increased consumer and business confidence and the tailwind of a more favourable economic outlook. Expansion in the Construction industry was driven by increased residential construction, hotel construction, buildout of space for the Business Processing and Outsourcing sub-sector, and the Government's major infrastructure works. Having expanded by 11% during the previous fiscal year due to recovery and favourable weather, bad weather in FY 2017/18 contributed mainly to the reduction in output in the Agriculture sector. The sector is highly susceptible to the vagaries of weather conditions, which is reflected in changing output in accordance with the shift in weather pattern.

All the sectors in Service Industry recorded expansion, led by Hotel and Restaurant (4.2%), Other Services (1.4%), Transportation Storage and Communication (1.2%) and Finance and Insurance Services (1.2%). Of note the largest sector in the economy, Wholesale & Retail Repairs; Installation of Machinery & Equipment (Retail and Distribution) which accounts for around 18% of total GDP grew at a meagre pace of 0.6%. The uptick in the Tourism reflects strong real economic growth in North America and increased in air and sea transportation to the island. In the main, the other sectors in the Industry continue to benefit from the relatively favourable domestic economic environment. However, despite improvements in remittance flows, increased employment levels and higher social benefits, growth in the Retail and Distribution sector expanded at a relatively slow pace averaging under 0.4% over the last five (5) fiscal cycles, which is less than half the average annualized growth rate of

0.9% for the entire economy for the same period. The signs are troubling as it may be a reflection of increased household debt and/or an indication that the improvements in the Country's economic fortune is not equally distributed across households.

BUDGET FOR FY 2017/18

The Government of Jamaica (GOJ) is programming to spend $773.7bn in FY 2018/19 which is $31bn or 2.9% lower than the revised estimate of $797.1bn in FY 2017/18. These figures were laid out in the Fiscal Policy Paper (FPP) that was tabled in February. Based on budgeted numbers, a fiscal surplus is expected and borrowing is projected to be lower than loan inflows resulting in an overall budget deficit, which will be funded from resources carried over from the previous fiscal year.

Relative to projections in FPP tabled last year, anticipated revenue flows are 5% more. The change in the forecast reflects better than programmed tax revenue intake in FY 2017/18 consequent on, among other things, improvement in tax compliance. The authority is expecting gains made through improving tax administration will continue over the medium-term, which along with nominal growth in the economy will boost revenues.

ABOVE THE LINE ITEMS

Expenditure

The GOJ is programming to spend $586.4bn on recurrent and capital expenditure, which is $35.3bn (6.4%) higher than the estimates for the previous fiscal year. Of this amount $526.7bn is earmarked for recurrent items while expected spending on capital is $59.8bn.

The giant portion of recurrent expenditure is on compensation ($185.3bn), of which the wages and salaries portion is $185.2bn or 2.1% higher than expected outlay for the previous period. At the time of the tabling of the budget the GOJ was still in the process of negotiating salary adjustments with unions representing public sector workers who were agitating for wage increases upward of 5% per annum over two years. The authority has subsequently signed wage agreements with most of the hold out groups, including inking a four-year wage deal with teachers. Notably wages and salaries as a proportion of GDP is programmed at 9.2%, a slight positive deviation from the 9% embedded in the three-year Precaution Stand-by Agreement with the International Monetary Fund. The GOJ is not expecting to reach the target until end-March 2021.

Capital spending as a proportion of GDP moved to 3%, up from 2.4%. In dollar value the increase is $14.6bn, or 32.5%. This is positive development, as it highlights the fiscal space that has been created to spend on capital items to help boost economic outcomes. Capital allocation to the security forces has increased 132% to $12.4bn. The increase in capital spending is congruent with the thrust of the government to tackle crime and violence, which has helped to stymie growth and economic development.

Revenues and Grants

Total Revenue inflows programmed for the year is $590.6bn of which tax revenues command the giant portion of $518.4bn or 87.8%. As a proportion of GDP, total revenue is expected to remain unchanged at 29.3% while tax to GDP is expected at 25.7%, or 0.3% lower than the previous fiscal year. Overall revenue is expected to increase relative to the previous period by $37.6bn or 6.8%, which is relatively in line with projected increase in nominal GDP.

The expected outturn for revenues and grants exceeds planned above the line spending, resulting in a fiscal surplus of $4.1bn (0.2% of GDP).

TABLE 1: CENTRAL GOVERNMENT SUMMARY ACCOUNTS

	FY 2017/18 $Mn	FY 2018/19 $Mn	FY 2019/20 $Mn	FY 2020/21 $Mn	FY 2021/22 $Mn
Revenue and Grants	**552,963.3**	**590,588.4**	**620,325.7**	**658,876.8**	**701,973.7**
Tax Revenue	491,110.1	518,435.3	546,955.4	585,638.9	625,054.1
Expenditure	**551,198.3**	**586,480.5**	**597,521.5**	**621,950.0**	**652,658.7**
Recurrent Expenditure	506,027.5	526,655.4	532,326.9	552,412.6	578,555.0
Programme	175,530.0	188,656.1	192,760.2	202,591.0	213,125.7
Compensation of Employees	196,336.0	201,051.4	211,156.9	224,691.4	240,927.2
Interest	134,161.5	136,947.9	128,409.8	125,130.2	124,502.1
Capital Expenditure	45,170.8	59,825.1	65,194.6	69,537.4	74,103.8
Fiscal Balance (Surplus+ / Deficit-)	**1,765.0**	**4,107.9**	**22,804.2**	**36,926.8**	**49,315.0**
Loans	**200,027.4**	**103,198.3**	**101,467.8**	**133,754.1**	**71,673.0**
Amortisation	**231,897.6**	**152,044.3**	**114,180.5**	**160,998.2**	**136,697.9**
Net Flows, Others	**-2,599.9**	**-20,574.4**	**-10,091.5**	**-9,682.7**	**15,709.8**
Overall (Surplus+ / Deficit-)	**-32,705.1**	**-65,312.5**	**0.0**	**0.0**	**0.0**
Primary Balance Surplus	**135,926.5**	**141,055.9**	**151,214.0**	**162,057.0**	**173,817.0**
Total Payments	**797,700.6**	**773,689.3**	**736,702.0**	**807,948.2**	**789,356.6**

BELOW THE LINE ITEMS

The scheduled amortisation for the fiscal year is $152.0bn which is higher than the expected loan intake of $103.2bn. On the domestic side, amortisation is $88.8bn, including T-bills of $21.0bn. GOJ, however, is planning to issue $78.1bn in domestic debt, including T-bills rollover.

For the fiscal year the combination of loans and total revenues ($693.8bn) fell short of total planned expenditure by $65.3bn. The gap is likely to be filled by part proceeds from the two global bonds that were re-opened in FY2017/18, JAMAN 2025 and JAMAN 2038.

MEDIUM-TERM OUTLOOK

The preliminary budget outlined for the medium term indicates revenue growth that is broadly in line with expected increases in nominal GDP, while it is envisaged that expenditure will rise at a slower pace. From this perspective, the fiscal and primary balance surpluses will average around 1.5% and 7% of GDP per annum, respectively.

These dynamics bode well for the debt trajectory, which is projected to fall from 102.1% at end-March 2018 to 76.6% at end-March 2022. Assuming the authority maintains the current fiscal stance, in the absence of shocks, the debt target of 60% of GDP could be easily met by end-March 2026.

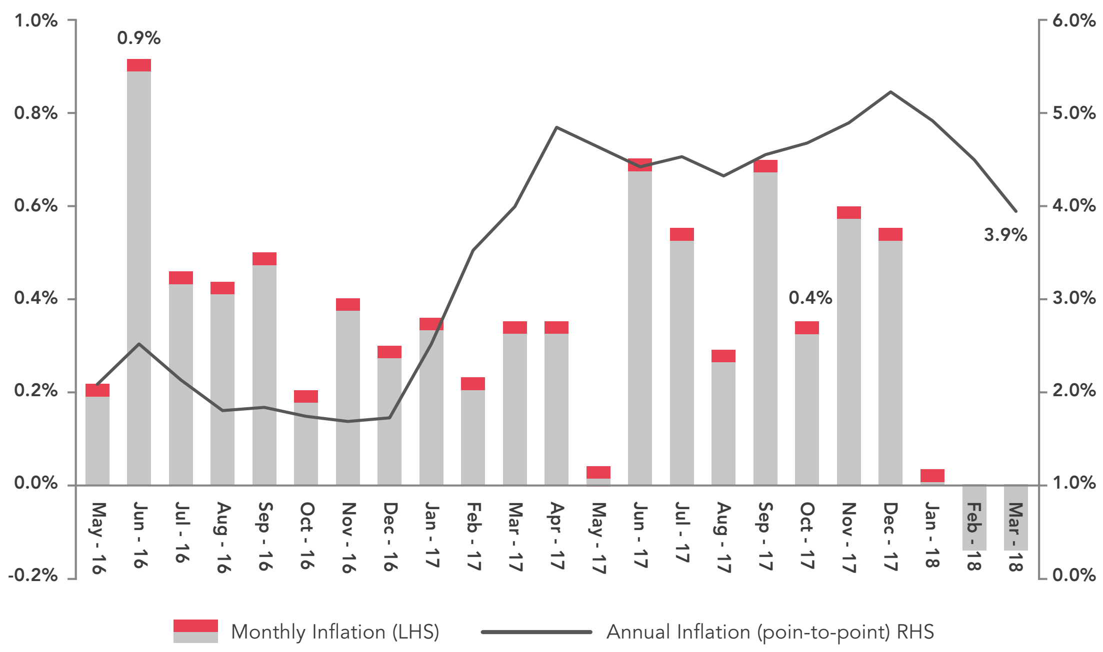
TABLE 2: REVENUE BUOYANCY

	Tax Revenue	Tax Revenue	GDP	Total Revenue / GDP	Tax Revenue / GDP	Buoyancy	
						Total Revenue	Tax
	$Mn	$Mn	$Mn				
2015/16	455,836	411,854	1,687,385	27.0%	24.4%	1.5	1.5
2016/17	499,880	458,323	1,782,705	28.0%	25.7%	1.7	2.0
2017/18	552,963	491,110	1,887,800	29.3%	26.0%	1.8	1.2
2018/19	590,588	518,435	2,017,914	29.3%	25.7%	1.0	0.8
2019/20	620,326	546,955	2,160,200	28.7%	25.3%	0.7	0.8
2020/21	658,877	585,639	2,315,100	28.5%	25.3%	0.9	1.0
2021/22	701,974	625,054	2,483,100	28.3%	25.2%	0.9	0.9

Marked changes in the FPP for FY 2018/19 relative to the document tabled in FY 2017/18 are as follows: 1) the lower real GDP growth rate envisaged by the authority and 2) closure in the overall deficit of $70bn for the period FY 2018/19 – FY 2020/21. The government was programming real GDP growth of 2.5% per annum prior, which has subsequently been revised downward by 0.4 percentage point to 2.1% per annum. The authority has sobered up to the fact that prudent fiscal and monetary policies, while necessary, are not sufficient conditions to minimise structural impediments – elevated crime rate, extortion, highly unskilled labour force, high cost of electricity, low rate of technology usage in businesses, and encumbrance by small and medium-sized businesses in accessing capital – that constrain growth. The overall deficit has been filled by a combination of higher non capital revenues and residual loan financing from FY 2017/18.

INFLATION

FIGURE 1:



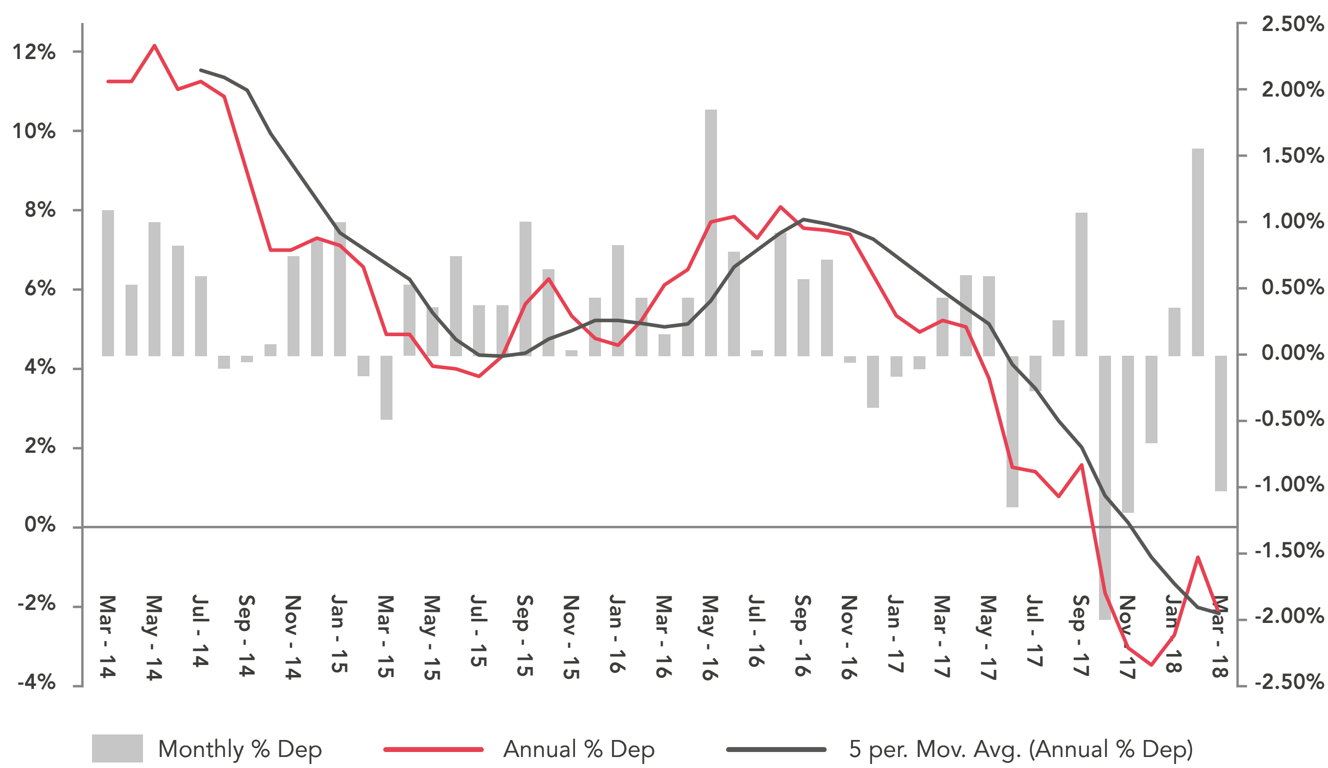
At the end of March, the calendar year-to-date inflation was -0.2% while the 12-month (fiscal year-to-date) inflation rate was 3.9%, marginally below our forecast range of 4.5% to 6.5%. The evolution of local prices throughout FY 2017/18 reflect an increase in external prices, more so oil prices, as well as bad weather, which affected domestic agriculture output. The impact of the external price rise on domestic prices, was tempered somewhat by appreciation of the Jamaica dollar (see section on foreign exchange). Core inflation, which excludes the more volatile food prices, remained subdued throughout the period, despite a more relaxed monetary policy by the central bank. The effect of the central bank's policy on inflation was muted due to relative weak aggregate demand, despite noticeable improvements in employment.

Going forward, external price movements, conditions in the foreign exchange market, local agriculture production, and availability of J-dollar liquidity in the money market, are some of the main factors that are likely to influence domestic inflation. It is our view that external prices – oil and other commodities - will maintain upward movements over the next 12 months and will filter through into local prices. However, as in the past, it is unlikely that external price rise will be amplified by sharp swings in the local currency. Good weather conditions bode well for higher local agriculture production and by extension domestic prices, as the inflation basket is heavily weighted in local produce. Domestic liquidity condition is expected to remain high, but is not likely to have any major effect on aggregate demand as households are constrained by increasing debt levels and government spending is constrained by the medium-term fiscal programme under the aegis of the IMF.

Given our view on how these variables will evolve throughout the year, inflation is likely to end FY 2018/19 within the band of 4.5% - 6.5%. Notwithstanding this outlook, risk is tilted towards the upside, as some amount of volatility has returned to the oil market and the probability of accelerated price rise has heightened. Should oil prices increase beyond our forecast range and/or the country experience sustained bad weather, inflation could fall well outside the upper forecast band while the converse holds true.

EXCHANGE RATE

FIGURE 2:



Source: BOJ and JMMBIR

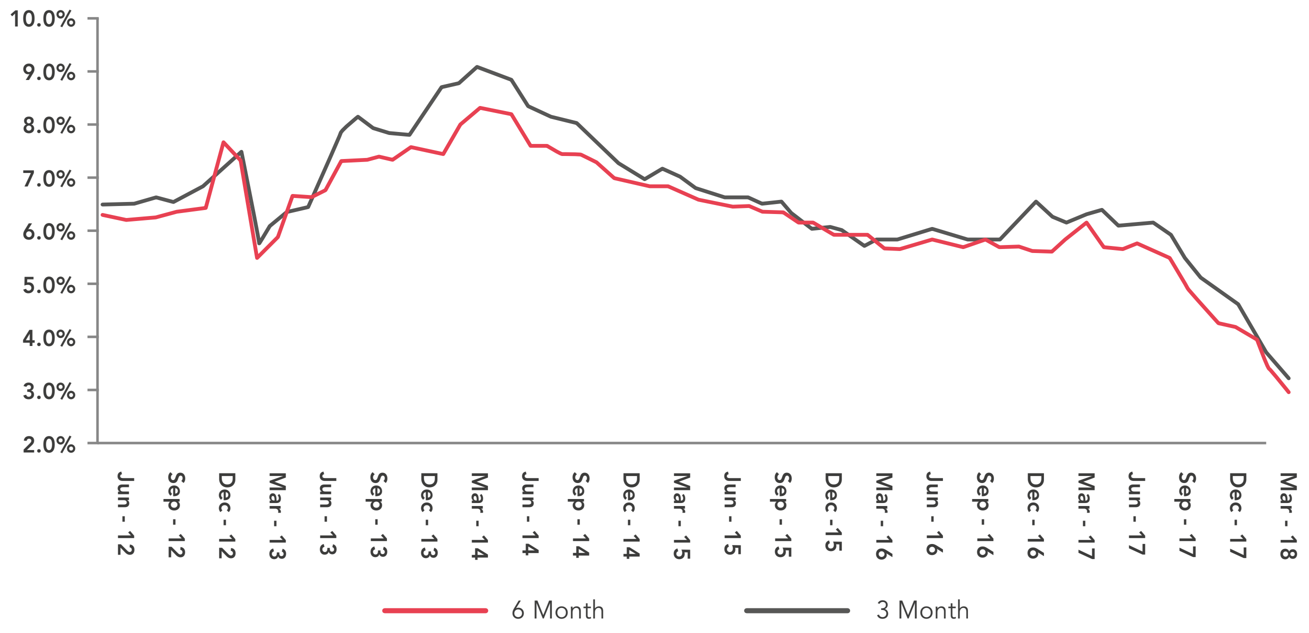
The Jamaica dollar traded at an exchange rate of US$125.98 relative to US$1 at end-March 2018, which is an appreciation of 2.1% when compared to the similar period in 2017. This follows the local currency losing 5.4% in value at end-March 2017. Throughout 2017/18 US dollar liquidity gradually improved resulting in the domestic currency appreciating 8 times month-on-month during the period. Three events helped to define the market during the time frame: 1) early redemption of the GOJ US$500m domestic bonds, series A and B of; 2) introduction of the B-FXITT exchange rate mechanism; and 3) regulated institution being close to their regulatory limits in terms of US dollar holdings.

The early redemption of the US dollar bond in February 2017 led to elevated US dollar liquidity levels resulting in the J-dollar appreciating by 1.6% cumulatively in the three months following. End-users often form expectation about the unavailability of US dollar liquidity whenever there is a misalignment between demand and supply even though the condition may be temporary in nature due to lumpiness in US dollar flows. The expectation formed and subsequent action of market participants help to reinforce a vicious cycle of depreciation of the J-dollar, as advanced purchase of foreign currency is executed in the spot market to satisfy future needs. The B-FXITT exchange rate mechanism has helped to eliminate the information asymmetry that informs this behavior. In a nutshell traders communicate in advance to the central bank what their demand for foreign currency is over a pre-defined period, and the central bank sets out an advance calendar for intervention. This helps to balance available information on the demand and supply of currency and in the process stymie speculative forces, as there is a fair degree of certainty regarding supply flows. Regulatory institutions have scaled down their purchase of US dollar during the period as most are near their US dollar holdings of J$8bn or 8% of capital, whichever is lower. These events, when combined with the evolution in the external accounts, provided an environment where the J-dollar appreciate relative to the US dollar.

Going forward we expect the Jamaica dollar to remain relatively stable in line with our outlook for the domestic economy and expected developments in the external sector. Despite this outlook, sharp rise in energy prices could negatively affect the balance of payment accounts causing reduction in reserves and spillover into the currency market. Our baseline forecast incorporates gradual rise in energy prices, however, the risk of price acceleration has increased in recent months.

INTEREST RATE

FIGURE 3: TREASURY BILL



Source: BOJ and JMMBIR

Treasury bill (T-bill) yields fell sharply during the 2017/18 period due to confidence in the GOJ economic programme; elevated J-dollar liquidity throughout the year; and overall decline in the GOJ borrowing requirements, which helped to contribute to liquidity conditions. At end-March 2018, yields on the 3-months and 6-months instruments were 2.82% and 3.17%, respectfully, and were 315 basis points (bps) lower than they were at end-March 2017. Improvements in Jamaica's macro-fiscal metrics have induced a greater level of confidence in the overall health of the economy and may have contributed to the lowering of the market's view of the sovereign's risk. The high J-dollar liquidity conditions in the money market were fostered by the easing of the central bank's monetary policy. The BOJ reduced its signal rate (overnight rate) to 3.25% in November, and further rate reduction is likely in 2018, if inflationary pressures remain subdued.

It is our view that yields are likely to fall through to the middle of the year, but could increase under two conditions: 1) further rates rise in the US and 2) sharp rise in oil prices. The Federal Reserve (Fed) is expected to increase interest rates three times in 2018, of which the first took place in March. It is possible that the Fed may raise interest rates four times. Yields on US Treasury bonds have increased in accordance with the Fed interest rate adjustments and accordingly yield on the 10-year Treasury bond is over 3%. This has resulted in downward pressures in emerging market (EM) bond prices. Further rate rise in the US could induce flight to quality and put further downward (upward) pressure on bond further price (yields). To counter rate rise in the US rate and stem outflows from investment portfolios, EM central banks including the BOJ, may increase interest rates as part of their arsenal. Likewise, in the event of sharp deterioration in the external accounts, induced by rising oil prices, the BOJ may also increase interest rates. The action of the central bank, under either scenario, would act as a catalyst for upward movements in domestic lending rates.

TABLE 3: SELECTED MACROECONOMIC INDICATORS

Indicator Name	2014	2015	2016	2017	2018 (e)	2019 (f)	2020 (f)
Population, mn	2.86	2.87	2.88	2.89	2.90	2.91	2.91
Real GDP, % y-o-y	0.7	0.8	1.4	0.6	1.4	1.9	2.1
GDP per capita, USD	4,857	4,939	4,876	4,869	5,286	5,539	5,829
Unemployment, % eop	14.2	12.5	12.0	11.5	11.0	10.0	10.0
Inflation, % y-o-y, eop	6.2	3.7	1.7	4.7	6.0	6.5	7.5
Central bank policy rate, % eop	5.75	5.25	5.00	3.50	3.50	3.50	4.00
JMD / USD, eop	114.33	119.98	128.85	124.58	-	-	-
Total revenue, % of GDP	25.7	24.8	25.9	28.0	28.9	29.9	30.2
Fiscal balance % of GDP	0.1	-0.5	-0.3	0.1	0.5	1.0	1.1
Primary balance % of GDP	7.2	7.1	6.9	7.8	7.9	7.9	7.6
Foreign reserves ex gold, USDbn	2.0	2.4	2.7	3.2	3.4	3.5	3.7
Import cover, months	4.6	5.9	5.6	5.8	5.0	5.4	5.5
Current account balance, % of GDP	-0.8	-2.8	-1.2	-3.1	-3.9	-4.2	-4.1
Total government debt, % of GDP	128.1	123.2	116.7	109.7	100.7	93.5	88.3
Total debt service, % of XGS	35.8	95.9	43.3	-	-	-	-
Interest payments, % of GDP	4.6	4.9	5.0	-	-	-	-

Source: BMI, JMMBIR

OUTLOOK

The domestic economy over the last fiscal year has been characterised by relative stability in some of the main macroeconomic variables, including inflation, exchange rate and interest rate. Both the fiscal and monetary authorities continue to synchronise and refine their policies to maintain stability and improve the growth outlook over the medium-term. Accordingly, we are expecting the fiscal authority to continue to implement policies to curtail the fiscal deficit and reduce the debt dynamics. Over the course of FY 2018/19, we are expecting the Bank of Jamaica (BOJ) to play its role in keeping volatility in the foreign exchange market under control and moving its policy rate in keeping with the evolution in the domestic and external economies.

This year's budget has delivered on the promise of maintaining macro-fiscal stability, which redounds well for higher investment flows in the real sector. If realised, it could help to push growth on a higher trajectory in the future. Upward shift in the growth path is however not likely to be achieved in the short to medium-term as there are structural impediments mitigating against this happening that will take time to address. There is a school of thought that posits that 2% real growth rate, over a sustained period, is sufficient for the country to achieve significant improvements in its socio-economic fundamentals.

It is our view that real growth will come in at between 1% and 1.5% this fiscal year, predicated on increased output in agriculture, tourism and mining and quarrying. Bad weather could however derail growth in the agriculture sector and put upward pressure on domestic prices. Continued increases in energy prices have the potential to push domestic price levels higher as well as negatively affect the external accounts, which could set in motion volatility in the foreign exchange market. Risk to the overall economy in the form of higher commodity prices has increased. High and sustained oil prices could lead to volatility in domestic prices and the foreign exchange market, which could push the country on a lower growth path.

TRINIDAD AND TOBAGO

REVIEW

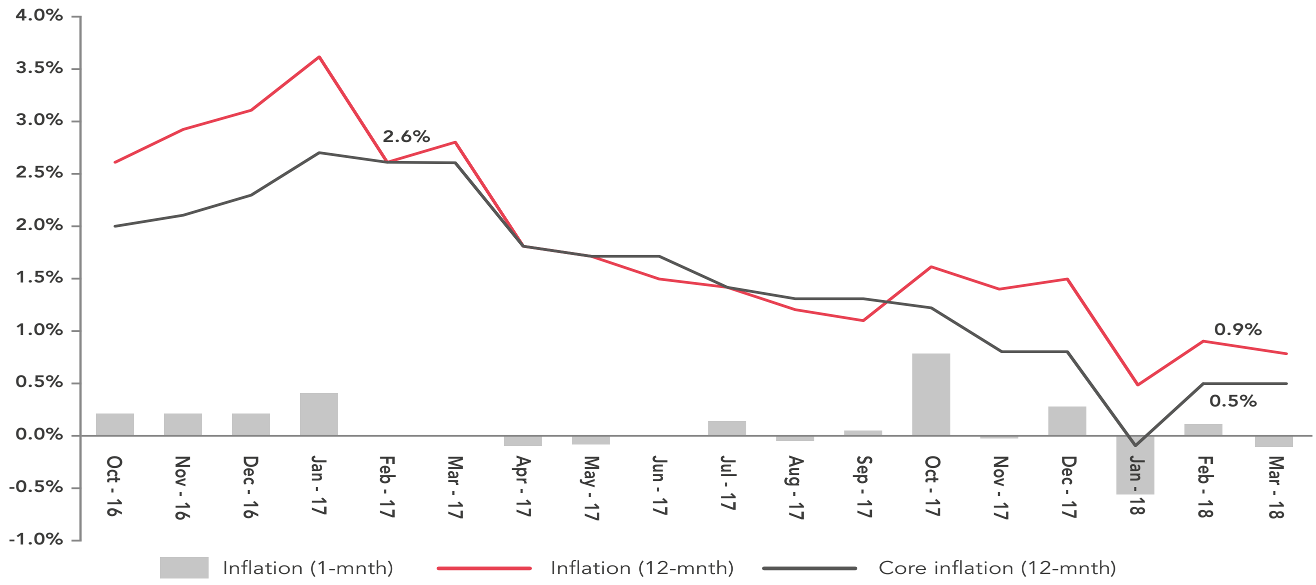
The domestic economy declined 2.3% in 2017 compared to 6.0% in 2016. There was marked improvement in the energy sector where real output expanded by 1% in 2017, having contracted by 9% in 2016. Activities in the energy sector were buoyed by British Petroleum's (BP) operation at the Juniper field which commenced in Q4:17. This is expected to boost gas feedstock, which has declined due to mature fields and subdued investments to the sector, a consequence of depressed hydrocarbon prices relative to mid-2014. In 2015, gross fixed investment (capital investments) as a percentage of GDP was approximately 29%, but has subsequently fallen to 10% and is likely to remain relatively low over multiple periods.

Income flows from the petroleum sector in the recent past have largely helped to fuel government and private consumption, but have slowed due to subdued hydrocarbon prices and production. Trinidad and Tobago operates a dual economy. Oil revenue received by the Government is distributed to the wider public through subsidies, government consumption and employment. The pass-through impact on these activities and exports help to drive output in the non-petroleum sector. With the contraction in the petroleum industry, relative to the size of the economy and reduction in revenue flows to government, private consumption is expected to play a greater role in driving economic growth. The rise in private consumption to around 70% of GDP from under 55% for the 2008 – 2015 reflects, less growth in household income and more decline in the petroleum sector and structurally low hydrocarbon prices.

INFLATION

The 12-month headline inflation rate in March was 0.8 % while core inflation and food inflation were 0.5% and 2.8%, respectively. Inflation is expected to remain relatively low throughout 2018, but is likely to increase as household income rise in tandem with expansion in real output, and the effected expansion in the consumption tax base during the fourth quarter of 2017. Lower government spending, to curtail the fiscal deficit, is however expected to mitigate the impact on inflation from rising household income. Thus, headline inflation is expect expected to rise to 2.7% by year end. Looking on over the medium-term, inflation is expected to revert to the long-term average of around 5% due to higher international prices and household spending resulting primarily from expansion in petroleum sector.

FIGURE 4: INFLATION



Source: CBTT, JMMBIR

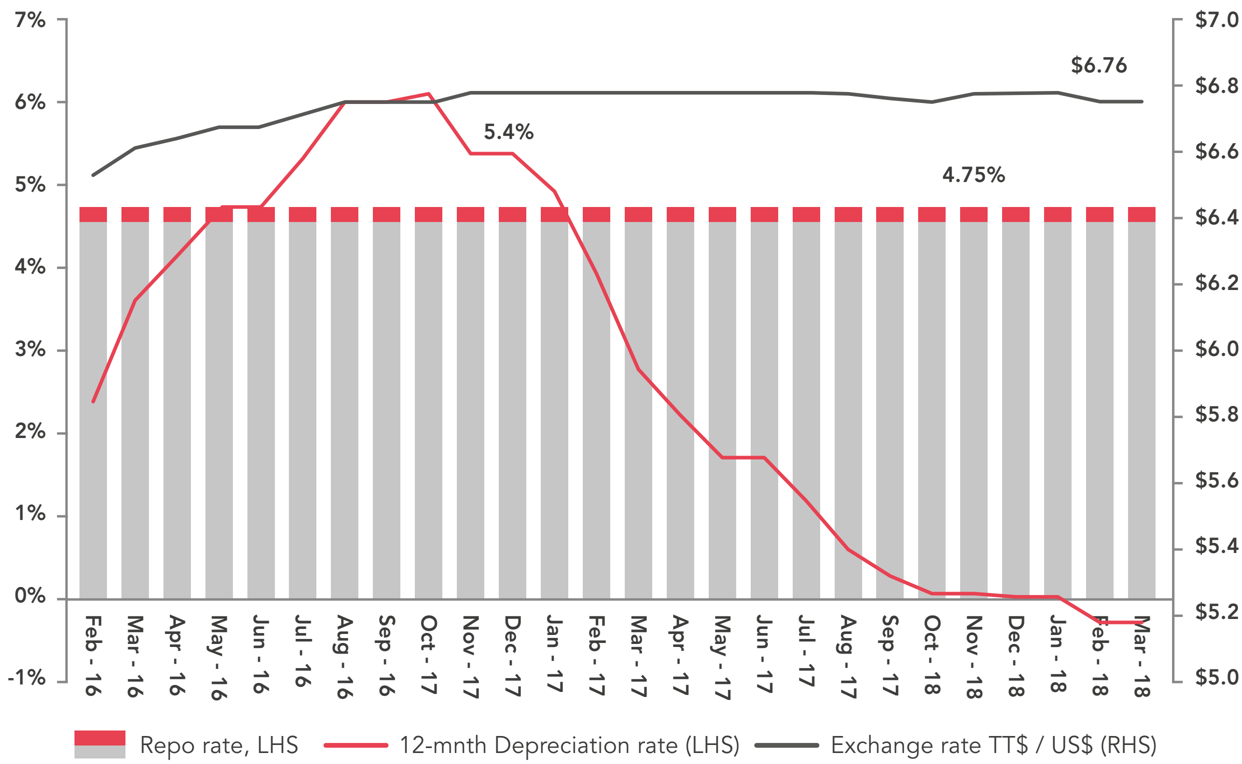
TABLE 4: SELECTED MACROECONOMIC INDICATORS

Indicator Name	2014	2015	2016	2017	2018 (e)	2019 (f)	2020 (f)
Population, mn	1.35	1.36	1.36	1.37	1.37	1.38	1.38
GDP per capita, USD	19,497	17,389	15,451	15,727	16,485	15,356	12,504
Real GDP, % y-o-y	-0.6	-0.6	-5.1	-0.3	2.0	2.5	2.3
Unemployment, % of labour force, eop	3.3	3.5	3.6	5.0	4.2	4.0	4.0
Consumer price inflation, % y-o-y, eop	8.5	1.5	3.1	1.3	2.0	2.8	5.0
Central bank policy rate, % eop	3.00	4.75	4.75	4.75	5.25	5.25	5.00
TTD / USD, eop	6.37	6.42	6.75	6.76	6.90	7.00	7.20
Total revenue, % of GDP	34.8	38.1	32.2	26.1	28.2	29.8	29.8
Budgets balance, % of GDP	-2.6	-1.8	-5.7	-8.7	-3.7	-2.6	-1.9
Primary balance, % of GDP	-0.8	0.5	-3.0	-5.6	-0.4	0.9	1.9
Current account balance, % of GDP	15.2	4.8	-12.4	-3.8	-1.0	0.3	1.8
Foreign reserves ex gold, USDbn	11.5	9.9	9.5	8.4	7.5	7.8	8.3
Import cover, months	16.1	13.9	12.1	10.4	8.3	8.1	8.3
Government debt, % of GDP	39.5	42.9	48.4	46.4	48.4	48.8	47.7
Total government debt, % of GDP	48.1	52.3	63.8	62.8	63.5	63.8	62.0
Crude, NGPL & other liquids prod, 000b/d	116.3	110.7	98.6	100.9	101.4	101.6	101.6
Crude oil refining capacity, 000b/d	168.0	168.0	168.0	168.0	168.0	168.0	168.0
Dry natural gas production, USDbn	20.1	9.8	7.0	9.1	12.5	14.0	15.3
Dry natural gas production, bcm	42.1	39.6	34.4	34.8	36.0	37.9	39.5

Source: BMI, JMMBIR

EXCHANGE RATE

FIGURE 5:



Source: CBTT, JMMBIR

The domestic currency remained stable during the first three months of 2018, as it did throughout 2017, despite continued pressure in the foreign exchange market. There is political risk associated with sharp depreciation of the TT-dollar, as the general populace view the currency as sacrosanct. The authority has acquiesced to political pressure despite the sovereign running twin deficits in the fiscal and current accounts. Both these deficits have their genesis in falling terms of trade arising from sharp decline in hydrocarbon prices, and more recently production constraints. The forecast over the short to medium-term is pointing towards improvements in the current account and lower, but still elevated, fiscal deficit.

The impact from both will be felt in the currency market. If the authority is steadfast in holding the domestic currency stable, it will come at the detriment of decline in reserves, and containment in the growth outlook for the nonpetroleum sector due in part to uncompetitive prices.

The macroeconomic fundamentals are pointing towards depreciation of the domestic currency. However, given the entrenched mindset of the authority, there are genuine fears that depreciation could have negative political consequences. Notwithstanding, we are of the opinion that the TT-dollar will depreciate over the next 12 months or so. In the event that the authority decides against this, we can reasonably expect reserves falling and slow recovery in the nonpetroleum sector; as the currency is relatively overvalued, as reflected in the parallel market where the USD is trading upward of TT$9 to US$1.

DEVELOPMENT IN THE FOREIGN CURRENCY MARKET

In early May the minister of finance announced the creation of a US$100m facility to support exporters who are facing challenges accessing US dollar liquidity. The following is a synopsis of the facility that is accessible through Eximbank.

- The Forex Facility's main focus will be to assist and further enable local manufacturers with export promotion through foreign exchange allocation.
- To qualify, at least 30% of a business production must be for export. In the case of existing established manufacturers, to qualify, these companies must agree to repatriate a suitable amount of their foreign exchange earnings.
- Start-ups or fledgling manufacturers with a lower level of export production, but with a feasible export plan, will also be considered favourably.

INTEREST RATE

The Central Bank of Trinidad and Tobago kept the policy rate unchanged in April at 4.75% despite continued pressures in the foreign currency market and compression in the interest rate differentials between US and TT-dollar instruments. The yield differential between TT and US Treasury bill moved from 66 bps in February 2017 to -34 bps in February 2018, that is a 90 bps shift. This comes on the heel of expectation of at least three rate hikes by the US Federal Reserve (Fed) in 2018 and the central bank holding the policy rate steady since Q4:2015. Despite the risk of capital flight, the CBTT has balanced its decision to stay the policy rate to help boost investments in the non-petroleum sector, which is being impacted by falling household income and slowdown in external demand. Low core inflation, which is running below 2%, has also helped to solidify the bank's interest rate position over the last three years, while low headline inflation has helped to temper the growing influence of external factors on domestic interest rate rise.

Against the background of continued normalisation of monetary policy in the US and the attendant impact on US interest rates, the probability has grown that the CBTT will raise interest rates over the next 6 months or so. Having increased interest rates by 25 basis points (bps), much to the expectation of the market, the Fed has raised forecast for economic growth in the US in 2018 and 2019 to 2.7% and 2.4% up from 2.5% and 2.1%, respectively. In the same vain, the outlook on unemployment was lowered while inflation is expected at around the 2% mark over the next two years. Given the prevailing outlook on inflation and growth in the US, the expectation is that the Fed will hike rates at least three times in 2019 and twice in 2020. This will undoubtedly put pressure on the CBTT to increase the policy rate.

OUTLOOK

Real output in Trinidad and Tobago is likely to expand by 2% in 2018 and 2.5% in 2019, largely due to recovery in the petroleum sector and, to a lesser extent, improvements in the non-petroleum sector. Higher output in the petroleum sector will have some spillover benefits to the non-petroleum sector and government coffers. The upside in revenue to the government, however, will not result in any significant shift in the ratio of petroleum revenues to total revenues. As such, no major windfall is anticipated to support government, spending on subsidies and transfer, as was the case in the period leading up to 2014. The risk to the growth outlook is fairly balanced at this time with the main downside risk being lower than projected hydrocarbon prices. Consensus forecast is pointing to moderate price increases over the medium-term. The political developments which are unfolding in Venezuela, a country with the largest proven oil reserve, is one of the factors informing this view.

Inflation has subsided and is expected to remain low throughout much of 2018. However, as the economy picks up and household income increases, spending on goods and services is expected to rise and push inflation upward. The increase in household spending is expected to be mitigated by cuts in government spending, which will help to put a break on the inflation momentum. As a consequence, gradual rise in inflation is expected, but prices are likely to remain subdued.

At this point the probability is weighted towards an increase in repo rates. As we have noted overleaf the spread between USD and TT-dollar investments is negative. With further rate hikes by the US Fed, it places additional downward pressure on spreads and raises the risk of capital flight, despite the authority's tight grip on investment.

THE DOMINICAN REPUBLIC

ECONOMIC UPDATE

Having expanded by 4.6% in 2017, growth in the Dominican Republic is expected at around 4.4% in 2018, one of the highest growth rates in Caribbean and Latin American (LAC). The outlook on growth for the sovereign is predicated on continued expansion in tourism and associated construction; exportation of goods from the free trade zones; and gold production. It is envisaged that strong growth in North America, in particular the US and Europe, will have a positive spillover effect on tourism in the Dominican Republic. Arrivals from all the territories combined ,account for well over 80% of total stopover visitors.

Developments in infrastructure have had to keep pace with growth in arrivals. The volume and monetary value of planned and ongoing projects are elevated, as investment flows in the tourism industry are being buoyed by growth in the sector and an enabling business climate. Like tourism, export from the free trade zone should benefit from expansion in the US economy, which is the main trading partner for the DR. Modest increase in gold output and higher prices are expected to help drive real output growth in the mining sector. Government spending on infrastructure over the years has helped to buoy output. However, as the authority is planning to reign in the fiscal deficit, this will result in reduction in capital spending, which is likely to reduce the growth momentum.

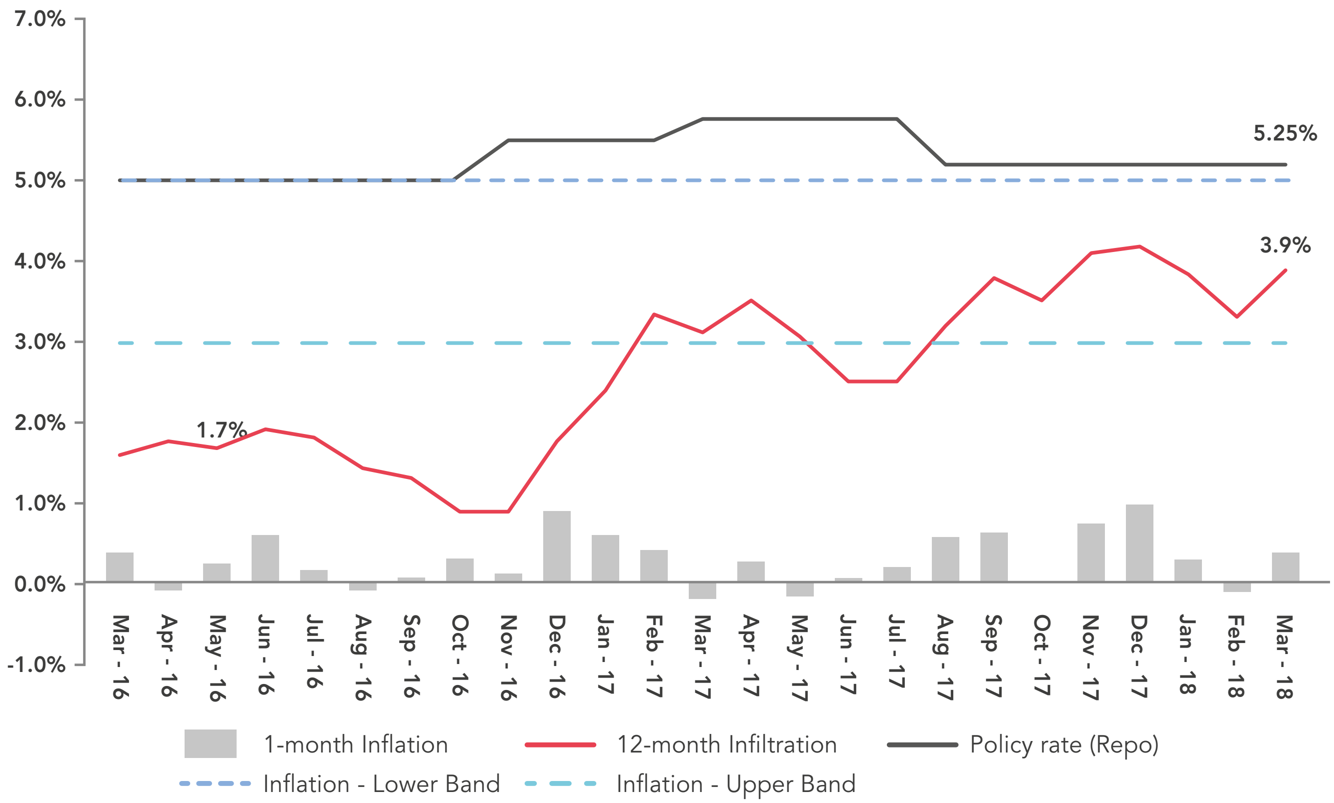
FISCAL POLICY

In keeping with the thrust to reduce the fiscal deficit and stabilise the debt, the authority is expected to reduce spending over the medium-term. As a result, it is envisaged that the deficit as a proportion of GDP will fall incrementally over the forecast horizon. A deficit of 2.2% of GDP is projected in 2018, the same as the expected outturn in 2017. The sovereign's debt servicing ratio and debt-to-GDP are relatively low by LAC standard and are expected to fall marginally in line with real economic growth and reduction in the fiscal deficit.

The Dominican Republic has the fiscal space to grow revenue if required, as revenue-to-GDP ratio is relatively low. In 2017, median revenue-to-GDP for the Caribbean territory as a whole is estimated at 26.7% compared to 15.2% for the Dominican Republic.

INFLATION

FIGURE 6: INFLATION RATE



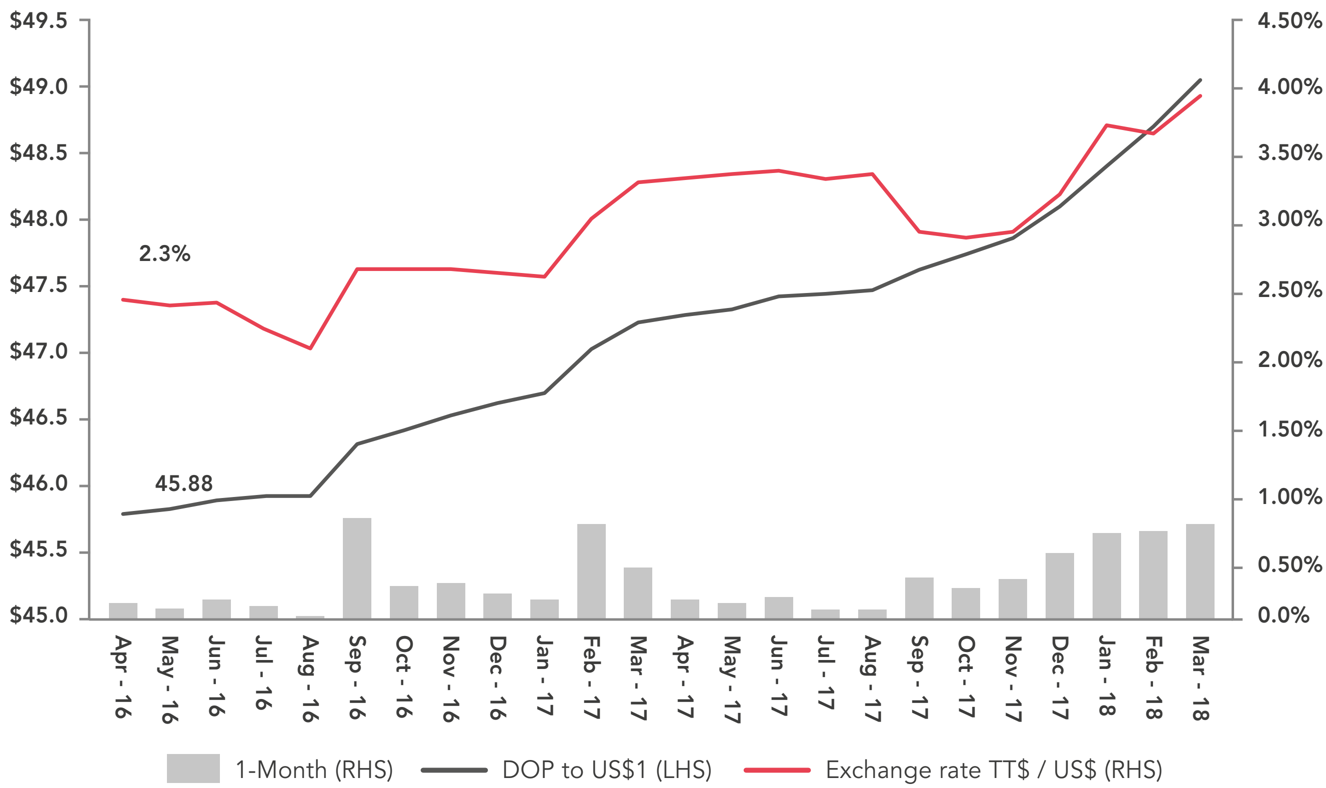
Source: BCRC, JMMBIR

The 12-month inflation rate in March 2018 was 3.9%, up from the 3.1% recorded in March 2017. Inflation remains well within the central bank's policy range of 3% - 5%. The rise in inflation reflects the pass-through effect of increases in crude oil prices and increased household spending consumption on monetary policy easing in Q3:2017. Increases in price levels is the general trend across commodity-dependent LAC economies. For 2018, the theme is for higher inflation in the Caribbean region in keeping with the expected rise in commodity prices, including oil. The Dominican Republic, being a net commodity importer, will feel the impact of upward adjustments in external prices as well as from depreciation of the pesos.

While it is envisaged that inflation will remain within the target band, sharp rise in external prices could push domestic prices to levels that are higher than envisaged. As noted overleaf, the probability of accelerated rise in oil prices has risen and therefore has increased the near-term risk of inflation being pushed higher than the upper end of the forecast band. The Banco Central de República Dominicana (BCRD) does have in its arsenal a range of policy tools which could be used to help stymie inflationary pressures, however, any such use could have negative effect on the growth rate.

EXCHANGE RATE

FIGURE 7: EXCHANGE RATE: DOP TO US$1



Source: BCRC, JMMBIR

At end-March the DOP traded at an exchange rate of DOP 49.09 to US$1, which was 4.1% higher than the exchange rate for the similar period in 2017. The DOP lost 3.3% of its value relative to the US dollar between the period end-March 2016 – end-March 2017. Increase in the pace of depreciation of the domestic currency is consistent with elevated levels of pesos liquidity, a condition elicited by the easing of monetary policy by the central bank during the second half of 2017 to help stimulate growth.

Increase in the pace of depreciation of the DOP could be inflationary, especially given recent upward movements in oil prices. The BCRD appears unfazed, for now, by the depreciation momentum and is drawing on its reserves to provide US dollar liquidity to the market. While the forecast is for improvements in the external accounts and by extension reserves, due to higher anticipated inflows in the balance of payments account, the BCRD supply of US dollar to the market is unsustainable given the paucity of resources. Thus, if conditions remain as is, it is highly likely that the bank will take actions in the near term to curtail the demand for US dollars to help slow the pace of depreciation of the peso. This is consistent with our outlook on domestic interest rates.

In keeping with our expectation regarding the evolution of the sovereign's balance of payment accounts and the outlook on interest rates, we are not expecting any marked deviation in the exchange rate trajectory for the Dominican Republic in 2018. Accordingly, it is our view that depreciation of the DOP will remain relatively subdued over multiple periods. We, however, must add that given the precarious nature of the external accounts, deterioration in terms of trade, and an adverse external environment, could impact the balance of payment accounts negatively and put pressure on the peso. Should such a scenario come to fruition, the probability of the BCRD increasing the policy rate earlier than planned is almost a certain.

INTEREST RATES

At its monetary policy meeting in February 2018, the BCRD maintained the monetary policy rate at 5.25% per annum, which remained unchanged in March. The BCRD advised that the rational for its action was based on the overall assessment of domestic and international risk. The bank is expecting inflation within the forecast band of 3% - 5% over the medium term, which lends support for the policy action.

The bank noted that the easing of monetary policy, which has been employed over the last two quarters, is showing signs of green shoots, as preliminary information from the Monthly Indicator of Economic Activity (IMAE) showed year-on-year growth of 7.0% in the month of January. Further to this the bank asserted that credit in domestic currency expanded 12% year-on-year and its forecast model is projecting real economic growth within the region of 5.5% - 6% in 2018.

Despite an enabling external economic environment, risks abound which could impact the domestic economy over the medium-term. These include shifts in fiscal and monetary policies in the US, increased oil prices and weaker external demand. The combination of monetary and fiscal policies in the US, under President Trump, ,could result in flight to quality of capital, as funds are repatriated from EM economies to the US, due to lower tax rates and higher returns on US Treasuries. The BCRD maintains that it is prepared to act in the future, if necessary, to keep inflation under control.

Consistent with our view on the Fed's rate hike in 2018 and the potential impact on capital flight in the Dominican Republic, it is highly likely that the BCRD will increase the policy rate at some point during the year to help preserve the external accounts and stymie exchange rate pressures that have been building in recent months.

OUTLOOK

The Dominican Republic economy continues to perform favourably due to strong policy implementation and linkages with the US. Like many LAC economies that are dependent on oil, increase in oil prices poses upside risk to inflation. Lower tax rates in the US and increase in Fed rates could result in funds flowing out of EM economies, resulting in higher funding rates in these jurisdictions, as central banks implement policies to curtail capital flight.

TABLE 5: SELECTED MACROECONOMIC INDICATORS

Indicator Name	2014	2015	2016	2017	2018 (e)	2019 (f)	2020 (f)
Population, mn	10.41	10.53	10.65	10.77	10.88	11.00	11.11
GDP per capita. USD	6,281	6,475	6,730	6,974	7,192	7,501	7,869
Real GDP, % y-o-y	7.6	7.0	6.6	4.6	4.5	4.6	4.5
Unemployment, % of labour force, eop	6.4	5.9	5.4	5.4	5.1	5.1	5.1
Consumer price inflation, % y-o-y, eop	1.6	2.3	1.7	4.2	4.0	4.3	4.5
Central bank policy rate, % eop	6.25	5.00	5.50	5.25	5.50	5.75	5.75
DOP / USD, eop	44.42	45.53	46.66	48.25	49.69	51.18	52.36
Total revenue, % of GDP	14.7	14.4	14.8	15.2	15.3	15.3	15.4
Budget balance, % of GDP	-2.8	0.1	-2.8	-2.2	-2.1	-2.0	-1.8
Primary balance, % of GDP	-0.3	2.7	0.1	0.5	0.5	0.6	0.7
Foreign reserves ex gold, USDbn	4.9	5.3	6.0	6.8	7.2	7.5	7.9
Import cover, months	3.4	3.7	4.2	4.6	4.6	4.6	4.6
Current account balance, % of GDP	-3.3	-1.9	-1.1	-0.2	-0.9	-0.8	-0.6
Total government debt, % of GDP	36.4	35.4	37.3	37.1	37.0	36.6	36.1
Government domestic debt, % of GDP	11.8	11.9	13.1	12.7	12.7	12.5	12.3
Total debt service, % of XGS	19.2	31.0	21.6	-	-	-	-
Interest payments, % of GDP	1.3	1.6	1.8	-	-		-

Source: BMI, IMF, and JMMBIR

Consensus forecast is pointing towards three rate hikes by the Fed in 2018, the first of which took place in March. If the Fed presses ahead with raising rates, we are of the opinion that the BCRD will match them, perhaps with some time lag, to preserve the DR's external accounts and maintain the current growth path. The probability is weighted towards increase in the Bank's policy rate in 2018.

As we have highlighted previously, we are not anticipating any major deviation in trajectory of the domestic currency. Depreciation pressure is likely to remain subdued in keeping with evolution in the balance of payment accounts. We continue to maintain a positive outlook on the sovereign and its macro-fiscal framework. Notwithstanding this view, risks to the domestic economy are fairly balanced at this time. Slowdown in economic expansion in the US and by extension the rest of the world could adversely impact growth in tourism and remittance. Continued rise in oil prices and/or bad weather, especially hurricanes, could negatively affect terms of trade and the current account, which could feed through into the foreign exchange market leading to currency volatility.

We believe in legacy building.

Keith Duncan
Group Chief Executive Officer

MANAGEMENT DISCUSSION AND ANALYSIS

The Management of JMMB Group Limited (JMMBGL) is responsible for the integrity and objectivity of the information contained in the Management Discussion and Analysis (MD&A).

The MD&A is prepared to enable readers, clients and shareholders to assess the operations and financial performance of the Group for the financial year ended March 31, 2018, compared with prior years. It should be read in conjunction with our financial statements.

The information conveyed is based on the informed judgment of management with appropriate consideration to materiality. In this regard, management maintains a system of accounting and reporting that provides for the necessary internal controls to ensure transactions are properly authorised and recorded, assets are safeguarded against unauthorised use or disposal and liabilities fully recognised. Importantly, the system of control is continually reviewed for effectiveness and is supported by written policies and guidelines, qualified personnel, and strong internal audit and risk assessment procedures.

The financial information disclosed in this MD&A is consistent with our audited consolidated financial statements and related notes for the financial year ended March 31, 2018. Unless otherwise indicated, all amounts expressed are in Jamaican dollars and have been primarily derived from our financial statements, which are prepared in accordance with International Financial Reporting Standards (IFRS).

This MD&A may contain forward looking statements. Forward looking statements are statements made based on assumptions or predictions of the future which may not necessarily come true. Although JMMBGL believes that in making any such statement, its expectations are based on reasonable assumptions, any such statement may be influenced by factors that could cause actual outcomes and results to be materially different from those projected.

Financial Year 2017/18 saw the Group maintaining its record of strong financial performance while making advancements in growth as a group of companies, through the execution of our regional and business line diversification strategy. We are therefore pleased to review the Group's performance and achievements for this financial year and present an overview of the Group's direction and strategic focus for Financial Year 2018/19.

THE BUILD – OUT OF THE JMMB GROUP OF COMPANIES FY 2012/13 – 2017/18

Regional & Business Line Diversification Strategy and the Growth of the Group

Over the last six (6) financial years, our teams have been focused on the steady execution of the Group's strategy aimed at local and regional expansion. In so doing, tremendous effort was placed on putting in key elements of the business model to support this strategy via the acquisition (or addition) of new business lines, and through newly formed companies. By adding and building-out business lines in the Dominican Republic, Jamaica and Trinidad and Tobago, a once local company with a single business line has evolved into a dynamic regional Group of companies equipped to deliver innovative and integrated services, solutions and experiences designed to help clients achieve their life goals.

The Group's growth since Financial Year 2012/13 underscores the impact and efficacy of our diversification strategy. Prior to the development and execution of this strategy, the Group consisted of six (6) companies, four (4) in Jamaica, one (1) in the Dominican Republic and one (1) in Trinidad and Tobago, of which we held 50% ownership. Today, the Group is comprised of fourteen (14) companies across five (5) business lines. The current ownership structure across the Group is as follows: 100% ownership of the companies in Trinidad and Tobago and Jamaica, while in the Dominican Republic, based on our strategy of local partnership and alliances, our ownership ranges from 90% to 50%.

As anticipated, our client base has grown in response to our strategy and expanded value proposition a marked 35% during the period. Additionally, the number of clients served by more than one (1) business line within the Group, has grown year over year, demonstrating the strength and resonance of our integrated financial services value proposition in each of the markets in which we operate. Our on-balance sheet assets have likewise grown from J$124.7bn as at March year end 2012 to J$291.7bn as at the end of financial year 2017/18, all underpinned by growth in our funds under management which grew to J$357.8bn as at financial year 2017/18.

GROWTH OF THE JMMB GROUP FY 2012/13 – FY 2017/18

EXECUTING THE STRATEGY - WHERE WE ARE NOW

JMMB GROUP LOCAL AND REGIONAL DIVERSIFICATION

Acquisition

The initial phase of our diversification strategy focused on the creation of a regional portfolio of companies through which a suite of financial services can be provided via integrated solutions and bundles across business lines and in integrated locations. At the close of Financial Year 2017/18, we began our transition out of this phase as we completed the start-up and integration of the mutual funds and pensions business lines into the Dominican Republican portfolio of companies.

Consolidation

The individual companies across the Group are at different stages in their business life cycle. Given this, the execution of activities under the consolidation phase has required us to balance nurturing newly added companies such as JMMB Investments (Trinidad and Tobago) Limited, while investing in strategic business lines, in particular our banking businesses, in all three territories in preparation for their further growth. We have also had to simultaneously intensify efforts to maximise strategic synergies and extract efficiencies from the Group's entire portfolio. This phase of the diversification strategy has been our longest running phase as it has been continuous work to evaluate and align our teams, operations, technology, processes and systems with our promise of 'Best Interest' to our clients.

Achieving this alignment has been paramount to us. We have therefore been ensuring that while we work to reap all of the expected benefits of having a regionally diversified group of companies, we are still equipped to authentically and consistently deliver the experience our clients have come to expect of us across all our service delivery channels and touch points in all three (3) territories. This work thus continues into the coming two (2) financial years. We will, through a client centric approach, ensure that our core values and standards are felt by all our clients no matter which touch point, location or territory they choose to interact with us.

Growth

The growth phase of our strategy has begun in earnest as our teams have been intensely focused on executing activities to drive core revenue growth as well as market share expansion and dominance since 2017. For us, growth also means making the JMMB Group greater than the sum of its parts in terms of our operations, service delivery channels and an improved experience with us.

We therefore see further growth coming from:

- Leveraging our investment management, trading and capital markets expertise across the Group to drive portfolio returns for our clients' and the Group's portfolios,
- Efficiencies to be gained from integrated and streamlined operations across business lines and the territories in which we operate, as well as
- Increased revenue contribution from all of our business lines.

EXECUTING THE STRATEGY - FY 2017/18 ACHIEVEMENTS

Financial Year 2017/18 straddled both the consolidation and growth phases of our diversification strategy. As such, many of our activities were aimed at driving core revenue growth, increasing sales productivity and capacity, transitioning key business lines into expanded operations, deepening our integrated value proposition across our service delivery channels for an improved client experience and putting in place a solid framework for more streamlined and standardised operations across the Group.

Key achievements for Financial Year 2017/18 in these areas are highlighted below:

IMPROVE SALES PRODUCTIVITY AND CAPACITY

EMBED CLIENT EXPERIENCE AND FINANCIAL PARTNERSHIP CULTURE

IMPROVE OPERATIONAL EFFICIENCY

LEADERSHIP AND PEOPLE DEVELOPMENT

STRATEGIC ACHIEVEMENTS

Pensions Services Business Line launched in the Dominican Republic, completing the full suite of integrated financial services for the country's portfolio and value proposition.

JMMB Merchant Bank Limited transitioned to commercial banking, becoming JMMB Bank (Jamaica) Limited and the second commercial bank in the Group. This adds full commercial banking solutions to the suite of financial services within the Jamaica group of companies.

Three new Integrated Branches launched in Jamaica. Full commercial banking, investments, insurance and money transfer services and solutions now offered at the following newly renovated integrated branches:
- Haughton Terrace
- Mandeville
- Portmore

JMMB Investments (Trinidad and Tobago) Limited posted 50% growth in funds under management, increased market share and presence in the Equities trading market moving from 10% to 15% and started actively serving the Tobago market.

DIGITAL CHANNELS & ENABLING TECHNOLOGY UPGRADES

JMMB Group multi-language, interactive website launched.

Online transaction processing access via Moneyline implemented for our Investment business lines in the Dominican Republic.

Moneyline Online Banking enhancement completed for banking business line in Jamaica.

Integrated Sales Enabling Technology launched for use across the Group to track and manage client relationships.

Core IT Platform Implemented to support:
- Pensions Business Line – Jamaica
- Banking Business Line – Dominican Republic

FINANCIAL PERFORMANCE & OTHER ACHIEVEMENTS

- Net Profit J$3.60B 8% Growth
- Net Operating Revenue J$15.84B 8% Growth
- Return on Average Equity 12.92%
- EPS 218 cents 7% Growth
- Dividends per Stock Unit 47 cents Up 2 cents

The Group continued to post solid financial performance with all major financial performance indicators recording year over year growth including:

- Net profit which increased to J$3.60bn representing 8% year over year growth
- Net Operating Revenue which increased to J$15.84bn representing 8% year over year growth
- Earnings Per Stock Unit (EPS) which moved from 203 (cents) to 218 (cents) representing 7% growth
- Dividends Per Stock Unit which moved from 45 (cents) to 47 (cents)
- Return on Average Equity (ROAE) stood at 12.92% at the end of the financial year, marginally less than the ROAE of 13.53% in the previous year. Notwithstanding this, there were notable real returns with the 12-month average point to point inflation rate of 2.9% for the three territories in which we operate. We therefore continued to deliver real returns to our shareholders during the financial year.

Record Breaking Capital Raised

In addition to strong growth in all major financial performance indicators, the Group successfully raised J$9.13bn (approximately J$2bn more than previously raised in our 2016 offer) with the issue of four tranches of Cumulative Redeemable Preference Shares inclusive of US$ and J$ options in February 2018. The four tranches were listed on the Jamaica Stock Exchange (JSE) in April 2018. This Preference Share offer was important to us and was designed to commemorate the 25th Anniversary of our operations. All clients were offered preferred rates for both the J$ and US$ options, and its overwhelming success reiterates the investor confidence in our brand and strategy we have enjoyed over the last twenty-five (25) years.

Since 2003 we have listed sixteen (16) securities, eleven (11) of which are still currently listed; and is the only company to date with these achievements. Additionally, since 2007 we have raised over J$23bn from issuing shares to the market. The success of this and our previous offers also underscores the readiness and openness of the Jamaican capital markets for the private sector to access the capital that is needed to fuel the country's growth; we are proud of our contributing role thus far in this.

The proceeds of the 2018 issue will be used to increase the capital base of the Group in order to fund expansion activities locally and regionally which are consistent with the Group's regional and business line diversification strategy and refinance existing obligations.

Award Winning Achievements

On December 6, 2017, the JMMB Group captured for the first time, the prestigious Governor General's Award for Excellence for the Main Market at the Jamaica Stock Exchange's (JSE) Best Practices Awards for 2017. The Group copped the top award, having emerged the overall winner in this category, among the 35 listed companies on the main market. To have received such recognition in our 25th year is affirmation that our founding values of love and standing for the greatness in all human beings continue to be the cornerstones of our success. We therefore share this award with our clients, shareholders and partners.

Client Achievements - Relationship, Partnership, Best Interest

We see our clients' dreams and goals as ours and are encouraged by the Group's achievements in this area for Financial Year 2017/18.

As we develop and manage solutions and experiences tailored to meet our clients' needs, we have been deeply focused on ensuring our operations, teams, processes and technology are configured to truly deliver on our promise of Partnership and 'Best Interest'. We believe the investments made in this area have been paying off as new clients continue to join the Group, approximately 20,000 during the financial year, and existing clients continue to benefit from better and more expanded services, channels and experiences.

We are happy to report that for the year, the Group was able to assist our clients achieve over 5,000 financing goals across the region. Through our banking business line we have helped over 400 people achieve their dream of homeownership and over 1,000 clients were able to buy their first car or get an upgrade, having accessed our car bundle solution as well as other financial planning solutions designed to maximise investment returns to achieve their goals. We are passionate about supporting entrepreneurship and building businesses which will fuel economic growth and so are also happy to report that over 100 businesses, including small and medium sized companies, are on their way to further growth having received well needed support, guidance and financing to achieve their company's goals and objectives.

Our investments clients in Jamaica with financial plans benefit from having a detailed financial planning conversation with an advisor, a plan which takes into consideration their and their families' life goals and unique situation as well as the expert management of their goals and/or portfolio via a variety of tools available to our advisors and support teams. For the year under review, we are pleased to report that we partnered with approximately 13,000 clients who have identified their goals, taken charge of their financial situation and have a plan to help them realise these goals. We are encouraged by the results thus far using our portfolio management system and have begun the process of embedding the tools and technology used to initiate, monitor and manage our clients' goals across the Group.

RELATIONSHIP

OVER 20,000

NEW CLIENTS ACROSS THE GROUP

BEST INTEREST

OVER 5,000

FINANCING GOALS ACHIEVED ACROSS THE GROUP

PARTNERSHIP

13,000

NEW FINANCIAL PLANS JAMAICA

People Initiatives & Achievements - Our Vision of Love in Action

Our highest aspiration is to build a JMMB where team members see each other as family, forgive, coach and build trust with each other.

We know that what differentiates us is an experience that is not learned or taught, it is felt, as it comes from the heart. Since our inception, it is standing for the greatness of all that has made a difference in people's lives and created bonds of love in every interaction we have as teams and with our clients; it is who we are and continue to strive to be.

During the year we intensified our roll out of development programmes to make our core values and Vision of Love real for our teams and equip our team members at all levels of our Group to better embody and stand for them. The following were successfully launched and/or implemented training initiatives and other programmes across the Group during the year in support of this.

TECHNICAL SKILLS TRAINING & CERTIFICATION FOR FINANCIAL ADVISORS IMPLEMENTED

CLIENT PARTNERSHIP STANDARDS IMPLEMENTED

COACHING PROGRAMME LAUNCHED

LEADERSHIP PROGRAMME LAUNCHED

As we build a JMMB where our teams see each other as family, we simultaneously track and monitor our progress and the feedback of our teams to ensure internal alignment to our vision and core values and to identify potential areas of enhancement. During the financial year, we administered our bi-annual Team Member Satisfaction and Engagement Survey. Whilst we identified areas of opportunity by territory, business line and functional areas which we will action in the coming year, we are happy to report that our overall results revealed that 95% of our team members feel a sense of pride being part of the JMMB Group team and 92% feel that JMMB is a great place to work.

TEAM MEMBER SATISFACTION & ENGAGEMENT SURVEY ADMINISTERED

95% I LOVE MY JMMB TEAM

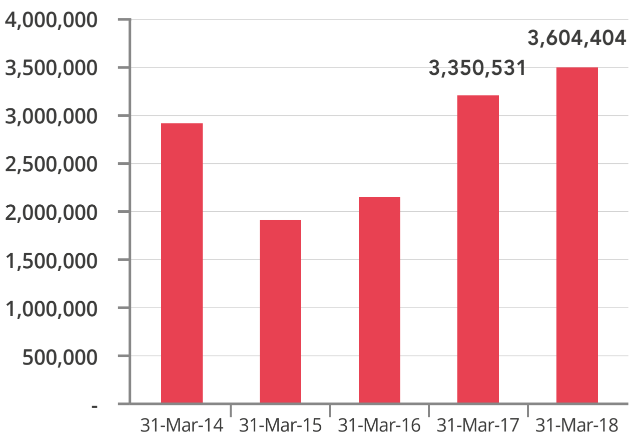
92% JMMB IS A GREAT PLACE TO WORK

2017/2018 GROUP FINANCIAL PERFORMANCE

Net Profit

Over the past three (3) years, net profit for the JMMB Group has continued on a positive trajectory. At the end of March 31, 2018, net profit was J$3.60bn which was 8% or J$253.9m higher than the prior period.

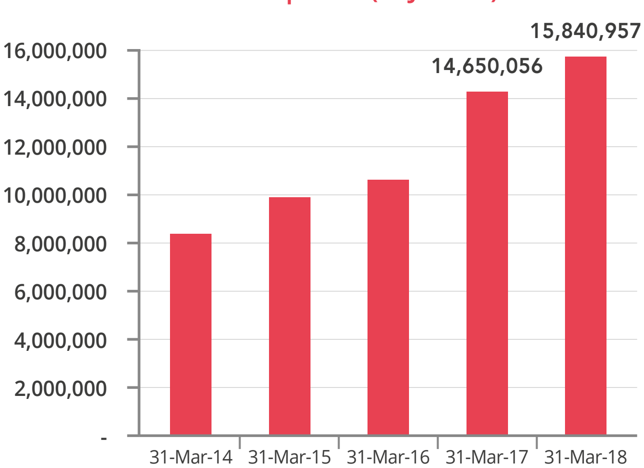
Group Net Profit (in J$' 000)



Operating Revenue

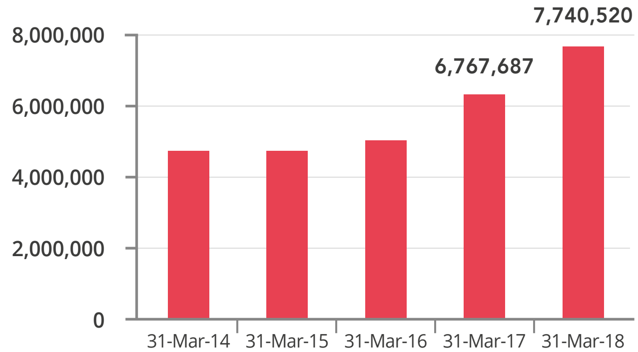
For the period, net operating revenue totalled J$15.84bn, reflecting growth of 8% or J$1.19bn. All revenue lines recorded growth, with the exception of gains on securities trading.

Group Operating Revenues Net of Interest Expense (in J$' 000)



Net Interest Income

Net Interest Income (in J$' 000)



Net Interest Income (NII) grew by 14% or J$972.8m to J$7.74bn reflecting growth in the investment and loan portfolios coupled with effective spread management. FX trading increased by 11% or J$132m to J$1.35bn, growth due to increased activities in the banking segment. Fees earned from managed funds amounted to J$690.4m, up from J$369m in the prior period. This was on account of organic growth as well as migration of clients to appropriate portfolio management solutions during the year.

As a consequence of this, managed funds and collective investment schemes across the Group experienced significant growth. Other fees and commission also grew by J$267.7m or 29% to J$1.19bn primarily as a result of increased capital market transactions as well as other value-added services to clients. Given prevailing market conditions, our trading strategy exceeded expectations delivering results of J$4.87bn albeit lower than the J$5.38bn in the prior period.

Country Contribution

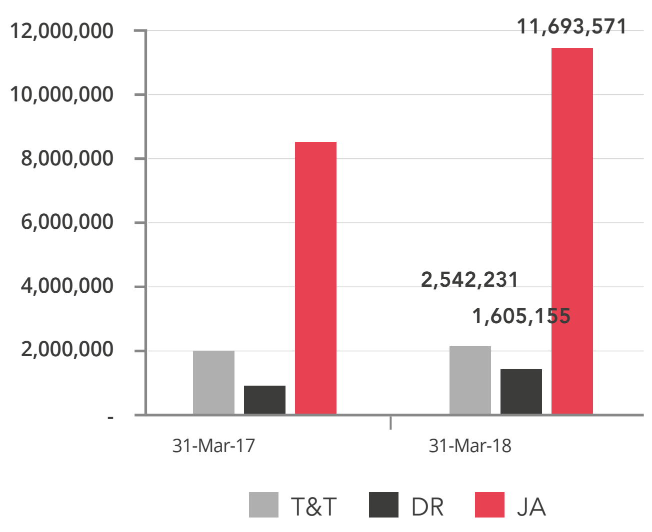
During the 2017/18 financial year, the Group continued to deepen the value proposition of the core business lines in each market resulting in revenue growth in all three territories. The Group's Jamaica operations ended the financial year with operating revenue at J$11.69bn reflecting growth of J$638m or a 6% increase over the prior period of J$11.06bn. This was due to growth in all revenue lines with the exception of trading gains.

Of note, is NII which increased by 7% or J$356.6m to J$5.16bn, while fees earned from managed funds increased by 77% to J$625.5m and FX trading gains which grew by 41% to J$976.9m.

The Group's Trinidad and Tobago operations' total operating revenue stood at J$2.54bn which represented growth of J$156.4m or 7%. This was due to increased NII and other fees and commission. NII grew by 20% or J$297.6m to J$1.81bn on account of larger investment and loan portfolios. Other fees and commission increased by 19% to J$246.5m and was due to equity trading on behalf of clients as well as other value added transactions.

The Dominican Republic operations' total operating revenue totalled J$1.61bn, up from J$1.21bn and was mainly due to increased NII and gains on securities trading. NII grew by 72% moving from J$442.7m to J$761.3m on account of larger investment and loan portfolios while gains on securities trading totalled J$709.6m, up from J$623.4m in the prior period an increase of 13.8%.

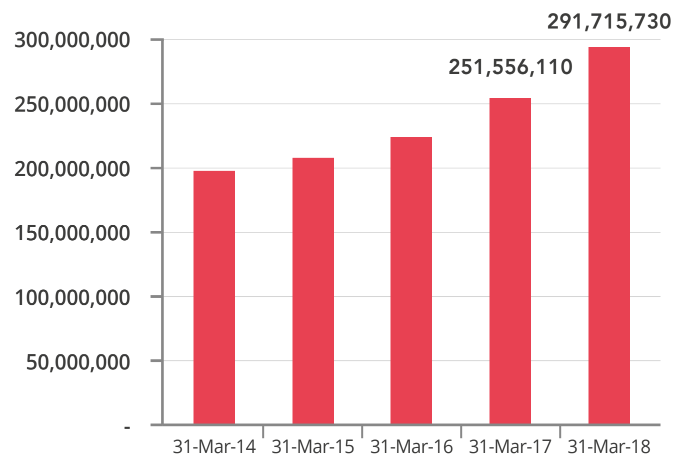
Country Contribution to Group Operating Revenue (in J$' 000)



Efficiency

In the 2017/18 financial year, administrative expenses moved from J$10.45bn to J$11.44bn. This was attributed primarily to costs associated with the transition of JMMB Merchant Bank Limited to JMMB Bank (Jamaica) Limited as well as inflationary adjustments made to staff costs. Additionally, costs associated with the enhancement of our integrated group sales and support framework were added during the course of the prior financial year and the current reporting period reflects the full impact of these incremental costs. Consequently, the Group's efficiency ratio moved from 71% to 72%. Despite this, we are confident that the Group's medium-term imperative of improving operational efficiency will yield tangible efficiencies and sustainable shareholder value as we continue to execute our strategy.

Total Assets (in J$' 000)



Total Assets

The Group's total asset base grew by J$40.16bn to J$291.72bn, over the period. This was mainly due to increases in loans and notes receivable as well as investment securities. Loans and notes receivable as at March 31, 2018, was J$55.63bn and reflected growth of J$8.49bn or 18%, as all the loan portfolios across the Group increased. The investment portfolio increased by J$23.33bn or 14%, moving to J$194.91bn. Growth in asset base was funded in part by client deposits, preference share and repurchase agreements.

Total Funds under Management

On-balance sheet funds under management (FUM) grew by 17% to J$262.71bn and reflected the increased market liquidity across the Group, as well as the effects of the preference shares raised in Jamaica. Off-balance sheet funds under management of J$118.47bn reflected growth of 34% over the previous year. The growth was reflected mainly in the pension funds and unit trusts business lines as we continue to increase our offer of off-balance sheet solutions to our clients.

Capital Adequacy

The JMMB Group remained adequately capitalised which was evidenced by all the individually regulated subsidiaries exceeding minimum regulatory requirements. Capital adequacy for the Group's regulated entities as at March 31, 2018 are detailed below:

Name of Company	Regulatory Measure (% or $ figure where Applicable)	Entity Capital Adequacy as at March 31 2018
Jamaica Money Market Brokers Limited	10.00%	16.03%
JMMB Bank (Jamaica) Limited	10.00%	16.42%
JMMB Fund Managers Limited	10.00%	70.52%
JMMB Puesto de Bolsa SA	DOP 153M	DOP 1,010.9M
Banco de Ahorro y Crédito JMMB Bank SA	10.00%	13.3%
JMMB Sociedad Administradora de Fondos de Inversion	DOP 15M (1% AUM)	DOP 30.33M
Jamaica Money Market Brokers (Trinidad and Tobago) Limited*	10.00%	13.57%
JMMB Bank (T&T) Limited	10.00%	23%
JMMB Investments (Trinidad and Tobago) Limited	TT$15M	TT$70.7M
* - Preliminary regulatory limit under Basel 2		

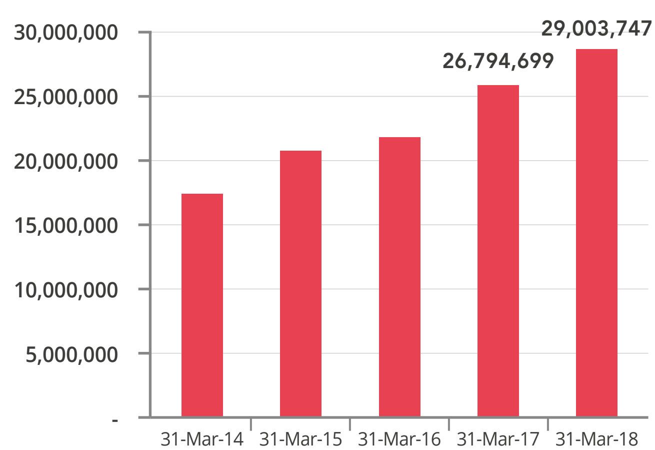
Shareholders' Equity

As at March 31, 2018, Total Shareholders' Equity stood at J$29bn reflecting an increase of 8% or J$2.21bn. This was due in part to improved profitability.

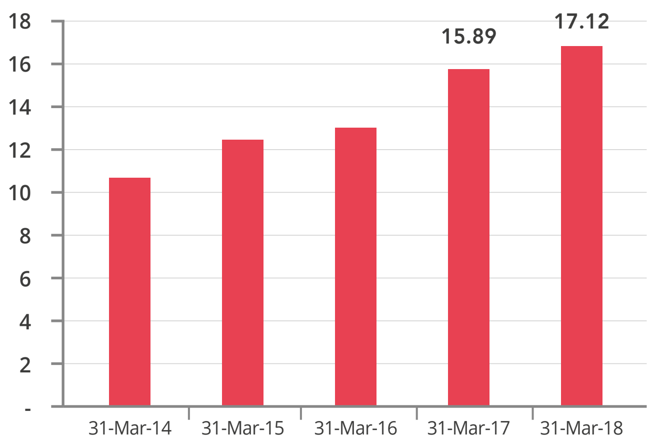
Book Value per Stock

At the end of the 2017/18 financial year, the Group's book value per share of common stock was J$17.12 compared to J$15.89 in the prior period.

Total Shareholders' Equity (in J$' 000)



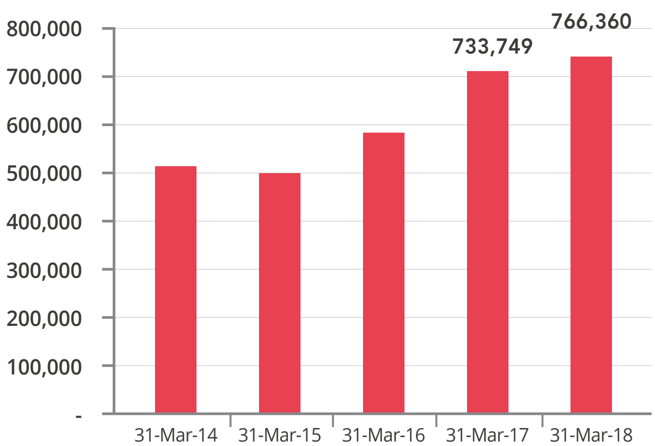
Book Value per Stock Units (in J$)



Shareholders' Return

Total dividends paid and proposed, in respect of the 2017/18 financial year, amounted to J$766.4m. The Group's performance over the period continued to drive positive shareholder returns and demonstrated our focused commitment to driving sustainable growth, achieving long-term earnings and increased returns to our shareholders.

Dividends Paid and Proposed
(in respect of the financial year) - in J$' 000



2017/2018 COUNTRY PERFORMANCE

JAMAICA

I. COUNTRY STRATEGY OVERVIEW & FINANCIAL PERFORMANCE

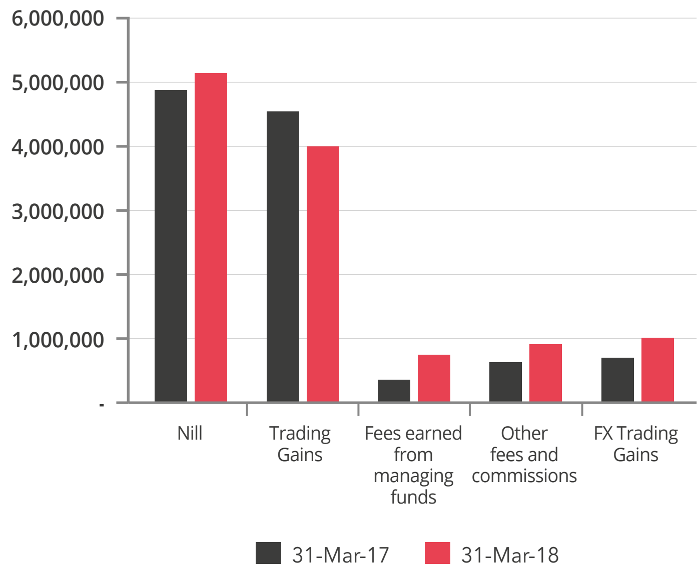
As investor sentiment and business confidence continued to grow during Financial Year 2017/2018, it augured well for the Group's entities in Jamaica which again ,delivered strong performances and contributed significantly to the Group's overall profit.

Country Contribution

For the year, operating revenue stood at J$11.69bn reflecting growth of J$638m or a 6% increase over the prior period's total of J$11.06bn. This was due to growth in all revenue lines with the exception of trading gains. Of note is Net Interest Income which increased by 7% or J$356.6m to J$5.16bn and fees earned from managed funds which increased by 77% to J$625.5m.

The performance of these core revenue lines during the year, demonstrates the effectiveness of our strategy and commitment to driving sustainable revenue streams.

JMMB Jamaica Operating Revenue (in J$' 000)



Macroeconomic Backdrop

Investor confidence in the financial markets remained strong year over year. The Government of Jamaica continued to perform credibly in meeting its fiscal targets, which resulted in the general stability of the financial markets. Local interest rates fell during the year as a result of increased market liquidity and low government borrowing demand. The central bank remained active in the financial markets through monetary policy actions such as foreign exchange interventions through the new B-FIXTT system.

Commercial Banking - A Reality in Our 25th Year!

A fitting tribute to the legacy of Joan Duncan was achieved in our 25th year of operations as we transitioned our merchant banking services into commercial banking services with the opening of JMMB Bank (Jamaica) Limited on August 14, 2017. We celebrate this achievement with our clients as it affords us the opportunity to offer every existing and potential JMMB client a more holistic suite of solutions to help them meet their goals. We intend to make JMMB Bank (Jamaica) Limited a very viable alternative to the commercial banking services now offered in Jamaica, but more importantly, with the Group's solution set now enhanced, we intend to offer every Jamaican the opportunity to have a financial plan, giving them and their families a roadmap towards a better future.

In keeping with our strategic plans for the launch of commercial banking services, we:

- Increased our Financial Life Goal Centre (Integrated Branch Locations) footprint to six (6), with plans for a seventh in train for financial year 2018/19 and

- Enhanced our online transaction platform (Moneyline) for our banking and investment business lines, providing additional transactional services and an integrated view of clients' portfolios.

Client and Business Line Growth

With our ongoing commitment to a holistic approach to financial planning with our clients, we were able to support a further 13,000 clients with financial plans, bringing the number since 2016 to just over 27,000 clients who have identified their goals, taken charge of their financial situation and have a plan and partner in place to help them realise these goals. We continue to see growth in the number of products and business lines per client as well as the number of new clients and accounts across all companies.

The following are highlights of our growth by business line:

- JMMB Bank (Jamaica) Limited's balance sheet grew by JA$7.5bn in loans which went towards funding both retail and business banking activities.

- JMMB Money Transfer Limited realised growth from the key strategic partnerships secured in 2016/17 and increased transaction volumes by 27%.

- JMMB Insurance Brokers Limited's retention rates grew to 90%. This coupled with new business, at 16% growth year over year saw, commission and fee income increasing by 20% to J$144m.

II. BUSINESS LINE PERFORMANCE

The performance of the entities comprising the Group's operations in Jamaica, detailed below, is based on the business line segments which they contribute to.

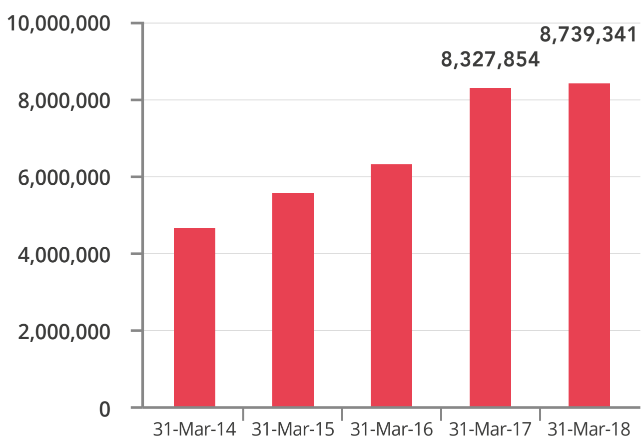
Business Line	Entity
Investment Management	• Jamaica Money Market Brokers Limited • JMMB Fund Managers Limited • JMMB Securities Limited
Banking	• JMMB Bank (Jamaica) Limited
Remittance	• JMMB Money Transfer Limited
Insurance Brokerage	• JMMB Insurance Brokers Limited

- INVESTMENT MANAGEMENT

The investment management business line delivered solid performance during the 2017/18 financial year, posting operating profit of J$3.1bn. This was achieved in keeping with our strategic focus of partnership with our clients and offering solutions geared towards helping them meet their goals. We also executed ongoing education and engagement activities to assist with the deepening of our clients' knowledge and, in continuing to transition our local business model, clients were offered off-balance sheet solutions as a part of a diversified portfolio.

Operating Results

Operating Revenue Net of Interest Expense (in J$' 000)



The investment management segment reported net operating revenue of J$8.74bn for the financial year ended March 31, 2018. This reflected growth of 5% on account of improvement in the asset management business line.

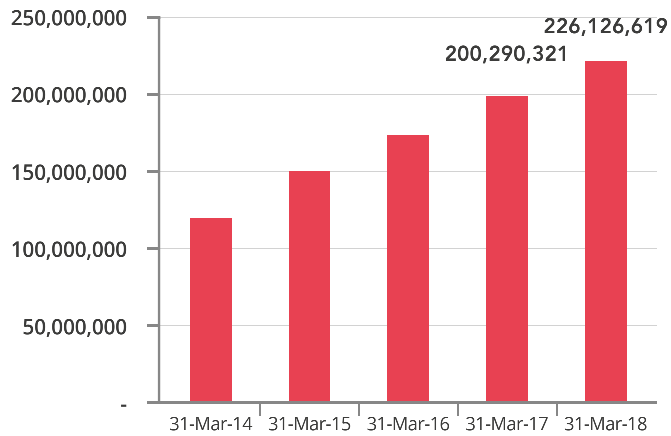
Operating expenses grew by 7% to J$5.63bn yielding segment result of J$3.11bn which was flat compared to J$3.08bn in the prior period.

Asset Management

The asset management business line includes our on-balance sheet funds that generate net interest income and off-balance sheet funds which provide fee income.

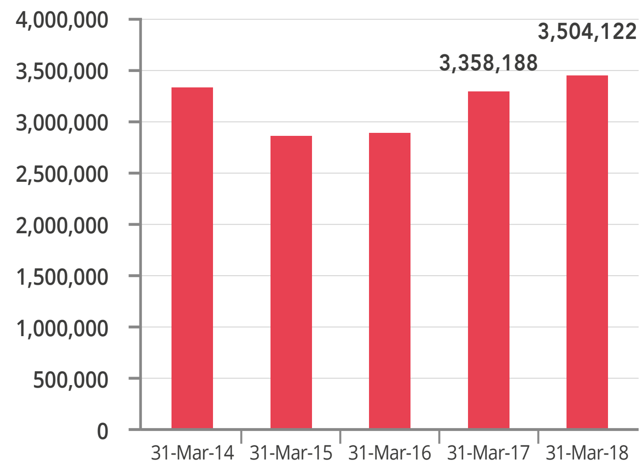
Total funds under management[1] (FUM) grew by 13% to J$226.13bn. This was on account of increases in both on-balance sheet FUM and off-balance sheet FUM.

Total Funds under Management (in JS' 000)



On-balance sheet FUM grew by 22% reflecting increased market liquidity as well as the effects of the preference share raised by the Group in February 2018. This funding supported a 9% increase in investment securities which stood at J$137.4bn at the end of the financial year. Consequently, net interest income totalled J$3.5bn, up 4% relative to the prior period.

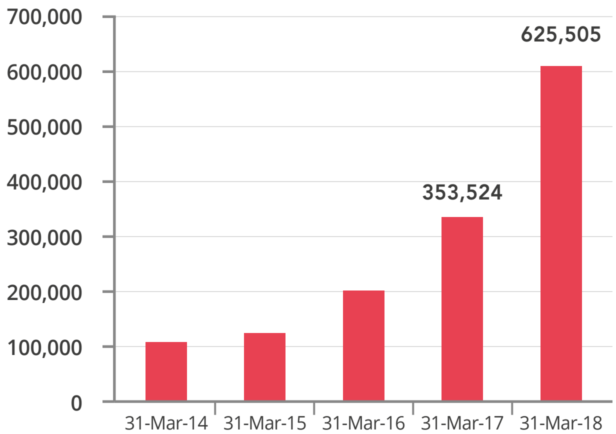
Net Interest Income (in JS' 000)



Off-balance sheet FUM rose by 6% due to organic growth as well as continued client migration to these products. The main growth drivers were pension funds and unit trusts as we continued to focus on off-balance sheet solutions during the financial year. Given this focus, fees earned from managed funds reflected growth of 77% moving to J$625.5m.

[1] Total Funds under Management include on-balance sheet customer liabilities as well as managed funds. Clients' bond and equity holdings are excluded.

Fees Earned from Managed Funds (in J$' 000)



Collective Investment Schemes (CIS) - Strong Market Share Acquisition

During the 2017/18 financial year, CIS FUM increased by J$16bn or 151% to J$26.1bn. This was partially due to the deliberate transition of clients to off-balance sheet products as well as organic growth attributable to continued client confidence in the value proposition of our range of CIS. At the end of the year, our CIS represented 11% of the total market in Jamaica, compared to 5.5% at the start. Additionally, when ranked by unit trust FUM, JMMB Fund Managers Limited was the fourth largest in Jamaica.

As a part of our strategic process, we continually review our suite of unit trust solutions to ensure that value is maximised for our clients and that we are equipped to meet their needs by providing a diversified solution suite. Coming out of this review process, we launched the US$ Giltedge Money Market Fund during the year. This solution gives clients with a short goal horizon and high liquidity needs the ability to earn more on their investments. At the end of the year, total FUM in this product was the equivalent of J$6.95bn. We additionally created packaged investment portfolios as we identified specific client needs throughout the year. We therefore offer discretionary portfolios which provide clients with a pre-determined mix of funds geared towards achieving a particular goal.

Pensions – Partnership and a New Online Experience

For the year under review, overall pension FUM increased by 18% moving to J$13.4bn. Our sustained efforts to strengthen partnerships with our existing client base and promote the importance of their long-term financial security resulted in this strong growth of FUM.

Underscoring our commitment to partnership and client education, we implemented an online pension fund administration platform during the year. We believe this will improve our clients' access to information and empower them to be better able to plan for retirement as they are now able to view their fund balances and simulate scenarios to estimate their retirement income. Fund administrators will also benefit, as with their increased access they can initiate transactions online, facilitating greater levels of efficiency. We are confident that this online tool raises the bar in client experience and overall fund administration capabilities.

Asset Management Outlook for 2018/19

Market conditions are expected to favour strong growth in FUM. In relation to on-balance sheet FUM, market liquidity is expected to remain high with reduced government borrowing and improved macroeconomic variables and, by extension, improved investor confidence. For our off-balance sheet products, we will continue to promote CIS as a choice investment vehicle that affords a wider cross-section of clients the opportunity for better risk-adjusted returns. We continue to be encouraged by the enhanced engagement of clients around retirement planning and remain committed to supporting this through client education programmes tailored towards retirement goal attainment. We will continue to enhance our suite of on and off-balance sheet product offerings as required, to help our clients meet their financial goals.

Treasury, Fixed Income and Equities Trading-Sustained Growth and Market Leading Performance

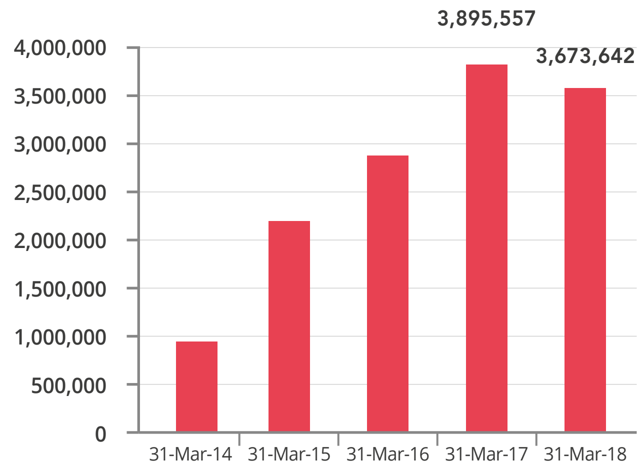
The treasury management business line, encompassing cambio, bond and equity trading for our proprietary portfolio, delivered solid performance during the financial year.

Trading gains for both equities and fixed income for the year stood at J$3.7bn, compared to J$3.9bn in the prior period. This reduced performance reflected appreciation in the local currency year over year. Although the global interest rate market experienced some moderation due to interest rate hikes by the United States Federal Reserve, we exceeded expectations for gains from bond trading as we were able to strategically position and capitalise on market opportunities throughout the year.

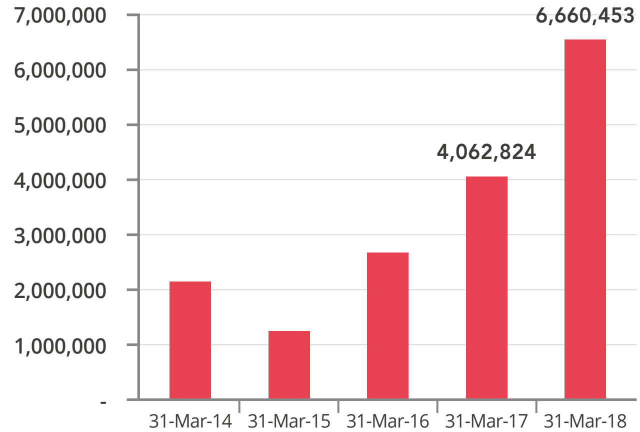
Equity trading for our proprietary portfolio was valued at J$94.4m compared to J$85m in the prior year, given the local bull market which was predicated on strong investor and consumer confidence. We note, however, that the pace of appreciation of the local market indices has moderated over the 2017/18 financial year, resulting in the JSE Combined Index increasing by 27%, compared to 46% for the previous financial year.

The local market facilitated increased trading for our clients as well with client trade value increasing from J$4.06bn to J$6.66bn. We continued to see strong growth in our corporate segment which registered a 75% increase in equity trading value due to our strategic focus to deliver relevant and timely equity recommendations for this segment.

Gains in Securities Trading (in JS' 000)



Trade Value (in J$' 000)



Jamaica Stock Exchange Best Practices Awards 2017

Our stellar performance in the local equities market was recognised, as JMMB Securities Limited was again the top performer at the JSE Best Practices Awards held in 2017, having copped the Chairman's Award for Overall Winner (Member Dealer), which recognises security dealers in the following areas: revenue generation, investor relations, website and expansion of investors and listed companies base. Additionally, JMMB Securities Limited received other awards including, being named joint winner for Investor Relations and winner of the Expansion of Investors and Listed Companies Base.

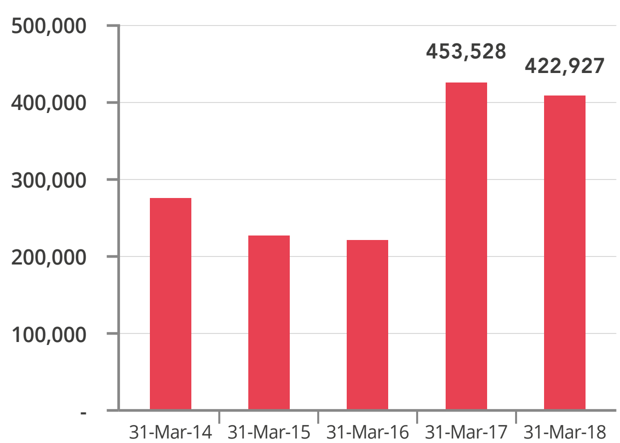
Outlook for FY 2018/19

The global investment environment is expected to moderate over the short to medium-term, as interest rates rise, commodity prices fluctuate and geopolitical risks increase. These events are expected to impact financial markets and we intend to position our bond portfolio to best take advantage of this changing environment locally and across the region.

We expect the equities market to present investors with further opportunities as the Jamaican economy continues to improve and investor confidence remains positive. To support our clients, we remain committed to providing best in class service and solutions for our retail and corporate client segments through their convenient use of our online transaction platform, Moneyline, and access to our qualified and capable equity trading and research teams. We will also continue to build regional synergy with our sister companies in the Dominican Republic and Trinidad and Tobago as investor interest in cross border trading has steadily increased.

Cambio - Challenging Environment, Shift in Operations

Foreign Exchange Margins from Cambio (in JS' 000)



The cambio sector continued to experience consolidation as the issue of de-risking by commercial banks continued to impact cambio operators. This was compounded by tighter spreads and lower volatility as the pace of depreciation in the local currency slowed.

Despite these challenges, our cambio operations recorded strong performance with gains of J$422.9m down from J$453.5m in the prior period.

As we continue to establish our integrated branch locations (Financial Life Goal Centres), cambio operations in the investment management business will be closed. Client foreign exchange needs will now be met by our banking business line, JMMB Bank (Jamaica) Limited, who is an authorised dealer. Over the year, three (3) branch locations were integrated, resulting in the closure of their cambio operations. This integration accounted for, in part, the reduction in foreign exchange trading gains. Despite this reduction, at the end of the year cambio operations in the investment management division represented approximately 13% of the cambio market and 5% of the authorised dealer market.

Cambio Outlook for FY 2018/19

The Bank of Jamaica (BOJ) successfully implemented its new intervention tool B-FIXTT during the year, which changed the central bank market intervention mechanism. Additionally, Jamaica's Net International Reserves (NIR) is expected to remain at healthy levels which should ease any concerns over the supply of foreign currency. Inflation is expected to remain contained given the BOJ's change of focus to inflation targeting with a medium-term targeted range of 4.6%.

For the 2018/19 financial year, we anticipate moderation in cambio trading revenues in the investment management division as foreign exchange trading transactions with clients in our branches and online are transitioned to our banking division. Nevertheless, we will seek to offset this by developing new trading relationships and strengthening current partnerships with our local and regional institutional clients.

Capital Markets - Strong Growth through Partnership

The core focus of the Capital Market Unit (CMU) is the origination, structuring and execution of tailored debt and equity funding instruments for our valued corporate, government and institutional clients in Jamaica and the wider Caribbean region. The strategic initiatives delivered during the financial year by the CMU include inter alia, building on the successes of the Group's brand and performance in the Jamaican market to drive growth and strengthening linkages with our internal corporate and investment banking partners to achieve wider client advisory coverage and enhanced value added funding solutions.

Our capital markets segment achieved significant growth year over year with transaction volumes growing by 41% to J$20bn relative to J$14.4bn in the prior year. The team also successfully structured and executed several notable deals during the year including the following:

- Co-broker for a J$750m bond offer for Hardware and Lumber Limited
- Structured the underwriting for a US$40m bond offer for Zodiac International Investments Limited
- Arranged a J$1.3bn and US$3m preference share offer for West Indies Petroleum Limited
- Co-broker for a J$1.1bn bond offer for Lasco Financial Services Limited
- Structured a series of commodity monetisation transactions aggregating to J$2.2bn
- Broker for CWC Cala's voluntary tender offer for minority shares of Cable and Wireless Jamaica Limited
- Broker for the Initial Public Offering of GWest Corporation Limited

Through efforts leading up to and in 2017/18, the CMU team has solidified our brand position as an active participant in the capital markets, and clients and potential clients have responded by actively seeking us out for guidance and solutions in this area. We see this activity representing a growing percentage of our portfolio and revenues in Jamaica, as the macroeconomic backdrop is ripe for promoting business confidence and growth.

Capital Markets Outlook 2018/19

In the coming year the CMU will entrench its regional footprint and increase market share while continuing to be client focused, collaborative, solution oriented and agile in the design and delivery of our services and solutions.

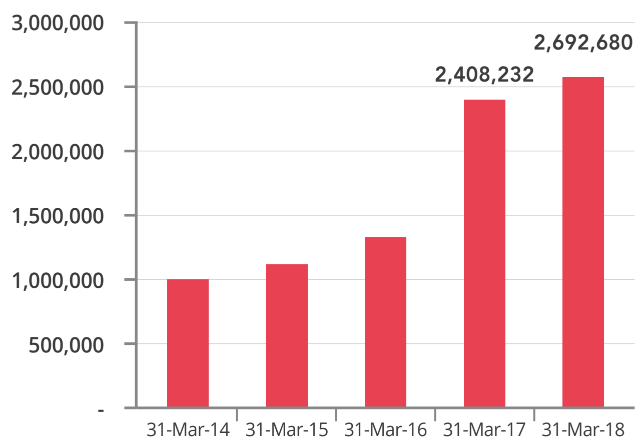
- BANKING

Commercial Banking Launch and Branch Network Expansion

On August 14, 2017, we received final approval to convert our banking operations from a merchant bank to a commercial bank; JMMB Bank (Jamaica) Limited. This conversion process was successful and has positioned the JMMB Group to better offer a full suite of financial services, thereby affording every Jamaican access to more solutions to meet their needs. Concurrent with the launch of the commercial bank, we opened two new integrated branches in Mandeville and Portmore with the addition of a third new branch at the JMMB Haughton Avenue location shortly after. This doubled the number of our locations as the banking operations are integrated with investment management services, in Financial Life Goal Centres (FLGC), enabling us to seamlessly deliver banking solutions.

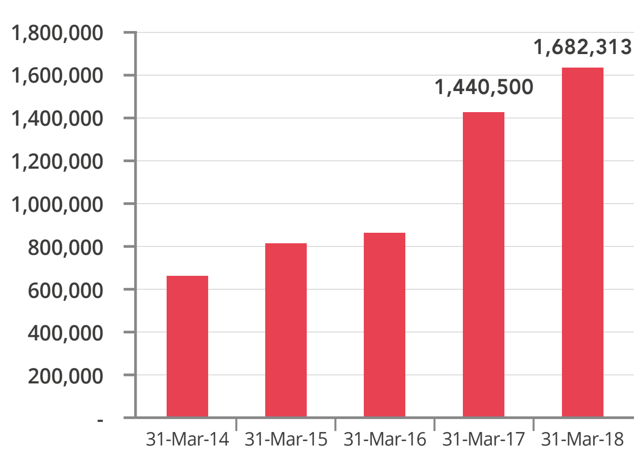
Operating Results

Operating Revenue Net of Interest Expense (in J$' 000)



The banking segment reported net operating revenue of J$2.69bn for the financial year ended March 31, 2018. This reflected growth of 12% and was largely due to growth in net interest income as the value of loans booked increased significantly.

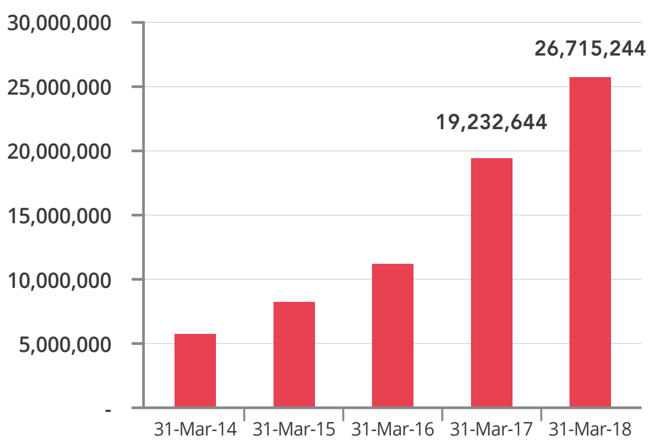
Net Interest Income (in J$' 000)



Net interest income increased by 17% to J$1.68bn compared to J$1.44bn in the prior period on account of strong growth in the loan portfolio. This was underpinned by our wide range of borrowing solutions to both personal and business sectors including the SME sector.

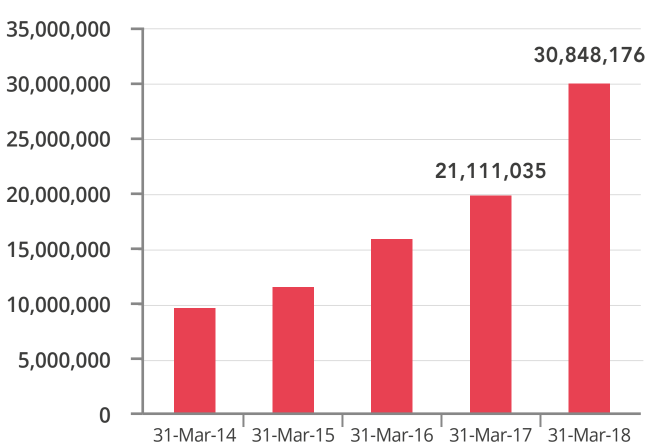
During the year, net loans increased by 39% to J$26.72B. As at end-December 2017, the year over year growth rate for net loans in the commercial banking sector was 6% (December 2016 was adjusted to include JN Bank and JMMB Bank (Jamaica) Limited which were not yet commercial banks).

Net Loans (in J$' 000)



Given the growth in the bank's loan portfolio, dependence on interest income from investment securities was much reduced. We reduced a significant portion of the investment portfolio in order to fund loans. This resulted in gain on sale of investment securities of J$343.5m during the year.

Deposits (in J$' 000)



Loan growth was funded predominantly by growth of the deposit base. At the end of March 31, 2018, the deposit base totalled J$30.85bn which reflected a 46% increase over the prior period. As at end-December 2017, the year over year growth rate for deposits in the commercial banking sector was 12% (December 2016 was adjusted to include JN Bank and JMMB Bank which were not yet commercial banks).

Core revenues, which consisted of net interest income, banking fees and foreign currency trading, increased to J$2.35bn, an increase of J$521.5m or 29% over the prior period. For the period ending March 31, 2018, core revenues represented 87% of total revenue, a significant change compared to the prior period where core revenue represented 76% of total revenues. This is an encouraging result as it is indicative of the effectiveness of our focus on revenue quality and is demonstrative of a commitment to building a sustainable banking business line.

Operating expenses grew by 29% to J$1.86bn largely driven by one-time expenses related to the conversion to commercial banking along with the establishment of three new branches during the year. Consequently, for the banking business line, operating profit was J$837.5m compared to J$973.5m in the prior period.

Banking Outlook for FY 2018/19

The Bank intends to increase its footprint by at least one (1) additional branch by the end of the second quarter in 2018. Convenient client access will thus continue to be a key focus as the bank also received regulatory approval to roll out a dual currency proprietary ATM network to provide clients with an additional touch-point across the country. In addition to the foregoing, we will continue to build out a full suite of commercial banking solutions in response to client demand and market trends and have placed particular emphasis for the coming year on developing services and solutions for our large business and SME client segments.

- REMITTANCE

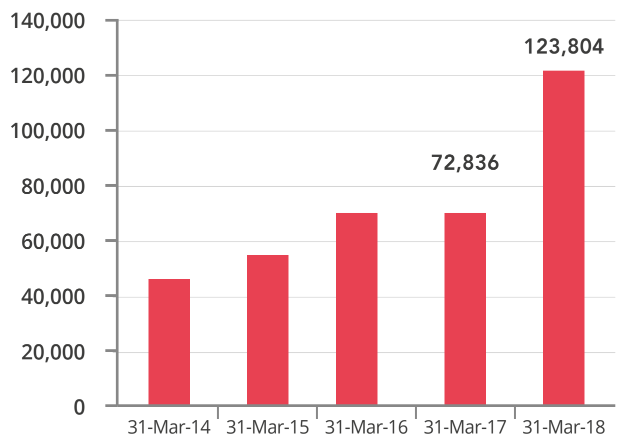
Increased Efficiency and Market Share Growth

Our remittance operations now include nine (9) international partners which offer services in over 145 countries across the world. Clients currently access local and international money transfer services via an island wide network of over 100 agents as well as at JMMB Bank (Jamaica) Limited locations.

During Financial Year 2017/18, the team focused on building out a value proposition of ease and convenience by streamlining key processes, improving client access and embedding service standards with our partners. We believe that the segment's performance for the year reflects these efforts as there was a marked increase in remittance inflows from the three (3) major inbound corridors, namely the USA, the UK and Canada.

Operating Results

Operating Revenue Net of Interest Expense (in J$' 000)



The remittance segment reported net operating revenue of J$123.8m for the financial year ended March 31, 2018. This reflected growth of 70% on account of increased transaction volumes and values, which in turn increased market share.

Transaction volumes increased by 27%, resulting in a 33% increase in remittance fees.

Operating expenses were contained with growth of 6% to J$69.6m. As a result, the efficiency ratio of the Company moved from 93.4% to 56.2%; a marked improvement. Even with this result we continued to invest in automated processes to further improve efficiency. Operating profit ended the year at J$54.2m compared to J$6.9m in the prior period.

Remittance Outlook for FY 2018/19

For the coming financial year, we will seek to increase market share and diversify our portfolio through additional value-added offerings, targeted expansion and increased access for clients.

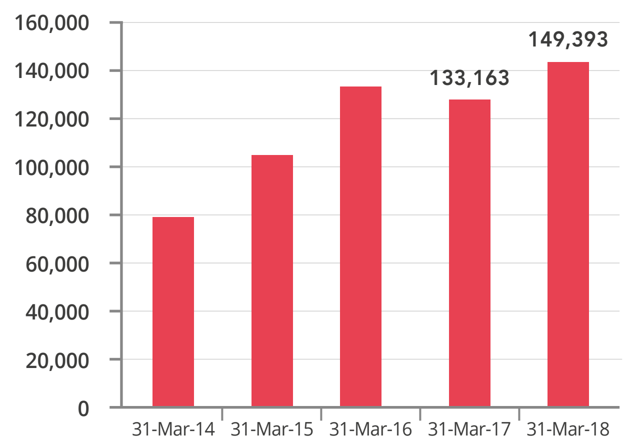
- INSURANCE BROKERAGE

Increased Client Confidence and New Business

Our insurance brokerage provides value added service to corporate and personal clients as we assist them in sourcing appropriate, competitively priced general, life and health solutions to meet their insurance needs. This was the basis for the launch of the 'Smart Lady' insurance solution in the prior year. This solution is attractively priced and seeks to meet the unique needs of women. It continued to gain traction during the 2017/18 financial year, especially with existing clients of the Group, as it is bundled with other products to deliver the right solution to clients across the Group in Jamaica.

Operating Results

Operating Revenue Net of Interest Expense (in J$' 000)



The insurance brokerage segment reported net operating revenue of J$149.4m for the financial year ended March 31, 2018. This reflected growth of 12% on account of improvement in the commission and fee income generated. Commission and fee income increased by 20% to J$144m for the year as reduced rates were offset by increased retention rates as well as increased new business volumes.

Clients continued to demonstrate high levels of confidence in our offerings and service levels, rewarding us with a renewal retention rate of 90% and growth in our overall client base of 16%.

During the year, we also amended our approach to ensure that we deliver service levels in line with the expectations of our clients. A separate renewal service group was implemented to allow for timely renewal of client cover while existing relationship officers focus on new business initiatives. As a result of this focused approach, our personal lines of business grew by 30% year over year. The life and health line of business also continued to experience growth. Through the containment of operating expenses which increased by only 4% to J$136.1m, the insurance business line delivered net profit before tax results of J$13.3m; J$10.8m higher than the prior period.

Insurance Brokerage Outlook for FY 2018/19

For the 2018/19 financial year, we expect rates to increase and thereby result in increased commission amounts. We will further expand our reach to provide insurance solutions to more clients by placing insurance advisors in all JMMB Financial Life Goal Centres. We recognise too that several of our clients only enjoy protection of one asset and therefore plan to demonstrate to them the value we can provide in assisting them to further protect themselves from risk. Further improvement in the business line is anticipated as we optimise and enhance key processes associated with renewals and receivables management and build further electronic interfaces with our insurance company partners.

III. 2018/2019 OUTLOOK FOR JMMB IN JAMAICA

In 2017/18 we achieved many of our objectives to further build out our capabilities, a key pillar for the Group's growth and re-positioned some elements of our business model. With the introduction of commercial banking services offered across new locations, as well as the initiatives in train for 2018 to increase client access using bank ATMs and enhanced online banking services, doing business with the JMMB Group in Jamaica will become easier.

We recognise that as we focused on building capability, preparing for commercial banking and realigning our business model over the last few years, we may have missed the mark with respect to consistently delivering on our client's expectations of us. We, however, remain committed to our core values as they are who we are. We therefore plan to capitalise on the opportunities we have to get things right the first time.

For 2018/19 our primary focus is therefore two-fold:

1. Getting 'Back to Basics' which is intended to:
   a. Address client pain points in key service delivery channels and
   b. Ensure the consistent delivery of an easy, enjoyable, empowering client experience that is in our client's best interest in every interaction.

2. Embedding Financial Partnership which is intended to:
   a. Embed the use of critical enabling technology to support the nurturing, monitoring and management of client relationships,
   b. Enhance our solution sets to ensure they are tailored to meet our clients' needs and
   c. Align our touch points and channels such that they all reflect key elements of our partnership strategy.

As we continuously improve our delivery financial partnership, we are re-examining our client interaction model at every touch point and ensuring that all our team members are equipped with training and tools to deliver on our promise to our clients. It's one JMMB client experience, no matter where the interaction starts or with whom. Stepping into 2018/19 as one team, we renew our commitment to all our stakeholders to remain the JMMB that always has 'Your Best Interest at Heart. Full Stop'.

2018 / 19 FOCUS FOR JMMB IN JAMAICA

TRINIDAD AND TOBAGO

I. COUNTRY STRATEGY OVERVIEW & FINANCIAL PERFORMANCE

In keeping with the JMMB Group's philosophy of delivering integrated financial options, our operations in Trinidad and Tobago are focused on providing clients with the solutions and knowledge that allow them to truly realise their life goals.

The Group's operations in Trinidad and Tobago not only serve the local financial market but extend its expertise across the Eastern Caribbean and Guyana, offering both investment management services through JMMB Investments (Trinidad and Tobago) Limited (JMMB ITT) and banking solutions and services through JMMB Bank (T&T) Limited (JMMB Bank).

Country Contribution

The Trinidad and Tobago operations' total operating revenue stood at TT$135.03m which represented growth of TT$9.4m or 7% in local currency. This was due to increased Net Interest Income (NII) and other fees and commission. Net Interest Income grew by 20% or TT$16.34m to TT$96.41m on account of larger investment and loan portfolios. Other fees and commission increased by 20% to TT$13.10 and was due to equity trading on behalf of clients as well as other value added transactions.

Financial Performance Indicator	Year Over Year Growth (%)
Total Operating Revenue	7%
Net Interest Income	20%
Other Fees and Commission	20%

Macro-Economic Backdrop

In 2017, the local economy continued to contract as energy prices failed to rebound, energy sector output continued to fall and the non-energy sector failed to perform. In addition, an increase in the corporation tax rate, the second in as many years which was introduced to boost national revenues, also weakened the already tenuous business climate.

Understandably, our operations and clients were not immune to the adverse impact of the recession, which was evident in increased delinquency levels and the ongoing shortage of US dollars in the market. Notwithstanding, we positioned ourselves as our clients' long-term financial partner, through all stages of their personal and business life cycle, and as such we continued to provide support and innovative solutions in the face of financial challenges. As a result, both business lines, banking and investment management, registered strong growth in the face of this difficult economic environment.

Taking Our Client Partnership to a New Level

During the year we rolled out Client Partnership Standards which provide the blueprint against which our teams deliver our client value proposition. Our clients can therefore expect a consistent experience across entities where team members work to make each interaction easy, enjoyable and empowering with our clients' and their families' best interest at heart!

Our business team also spent significant effort to enhance its sales approach, with comprehensive training focused on our unique style of financial planning, advice and partnership. This programme, coupled with a deliberate focus on integrated sales across product lines, has contributed to our success in building lasting relationships with our clients.

One of the major accomplishments during the year, demonstrating the confidence of our clients was JMMB ITT's successful capital market issue which raised TT$161m in Secured Notes without a parent guarantee. This was a strong signal of the market's confidence in the strength of the JMMB brand locally.

The Group also demonstrated its long-term commitment to the local financial services landscape by injecting additional equity capital of TT$80m into its operations in Trinidad and Tobago. This has strengthened the capital base of the operating entities and will facilitate future expansion and growth.

II. BUSINESS LINE PERFORMANCE

Business Line	Entity
Investment Management	• JMMB Investments (Trinidad and Tobago) Limited • JMMB Securities (T&T) Limited
Banking	• JMMB Bank (T&T) Limited • Intercommercial Trust & Merchant Bank Limited

The performance of the entities comprising the Group's operations in Trinidad and Tobago detailed below is based on the business line segments which they contribute to.

- INVESTMENT MANAGEMENT

The investment management business line achieved phenomenal growth in its asset base, increased its market share and client base and successfully raised funding through capital markets while bolstering its capital base. These exceptional results were due to an unwavering dedication and commitment to financial education, developing the local financial market and partnering with our clients to achieve their financial goals. JMMB hosted five (5) investor forums during the financial year including its first in Tobago, which served as an effective means of client outreach and deepened the links between financial expertise and the JMMB Group brand.

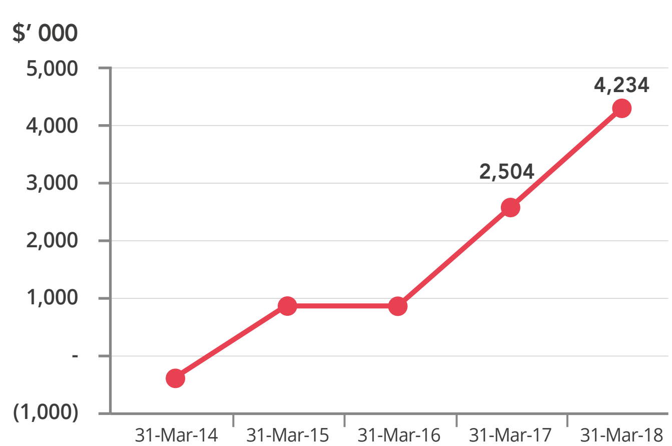
Profit Before Tax

Profit before tax for year ended March 31, 2018 grew by 69% over the prior year to close at TT$4.23m, primarily driven by consistent growth in net interest income and gains on securities trading, which increased by 46% and 37% respectively. Profit after tax also registered a noteworthy increase from TT$2.3m for fiscal year 2017 to TT$8.4m for 2018 as a result of the first time recognition of deferred tax on accumulated tax losses.

Net Interest Income

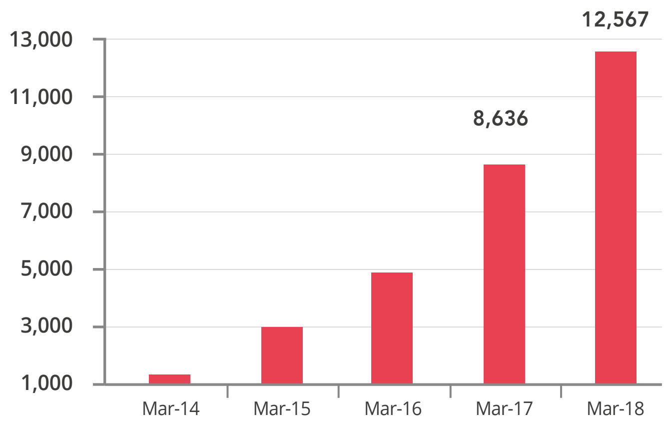
Net interest income (NII) closed at TT$12.6m which is an improvement of 46% compared to that reported for the fiscal year 2016 - 17. This NII was generated by total assets growth of 40% over the year with the investments portfolio being the main contributor to the increase.

Profit Before Tax (in TT$' 000)



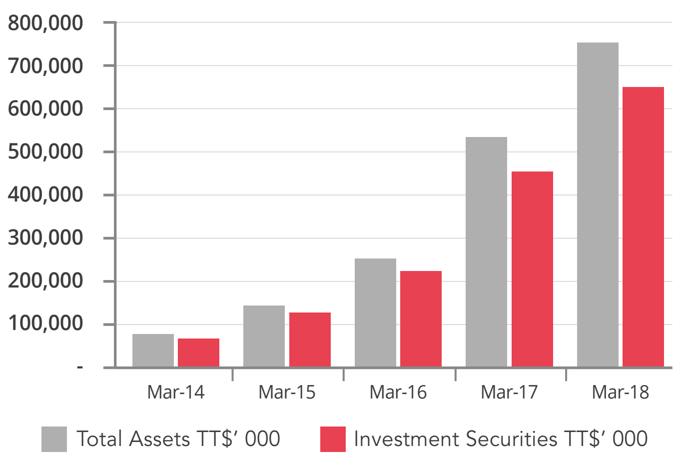
Investment securities closed at TT$656m, representing a 42% jump over the prior year and accounted for 87% of total assets.

Net Interest Income (in TT$' 000)

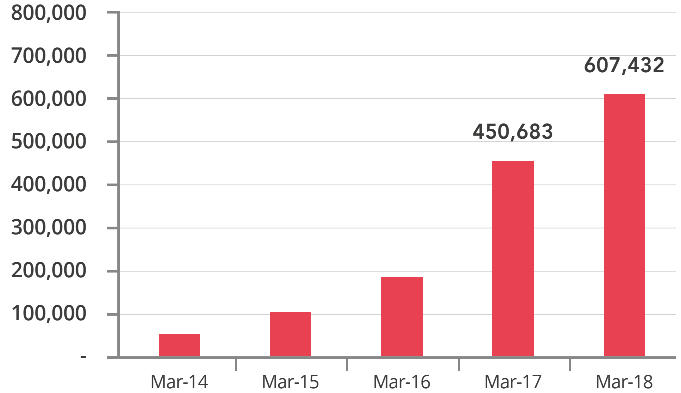


In terms of liability management, overall funds under management (FUM) represented by the Repurchase Agreements (Repo) portfolio and Notes issued during the year, registered an increase of TT$156m or 35%.

Total Assets

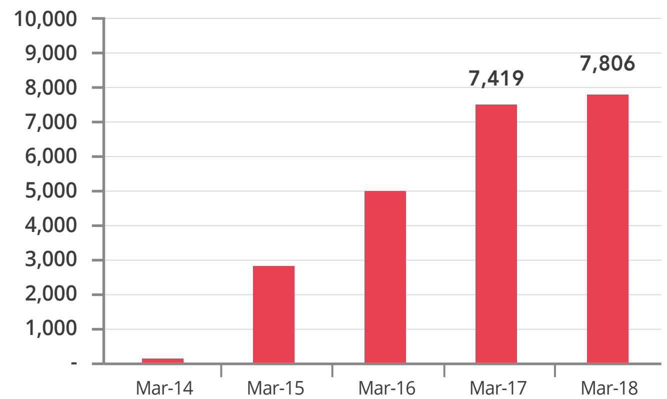


Funds Under Management (TT$' 000)



Other Income

Other Income (TT$' 000)

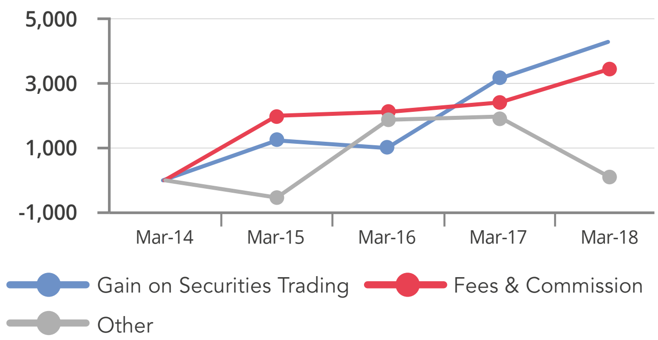


Other income comprising gains on security trading, fees and commission, dividends and foreign exchange gains contributed to TT$7.8m or 38% of total revenue for the period.

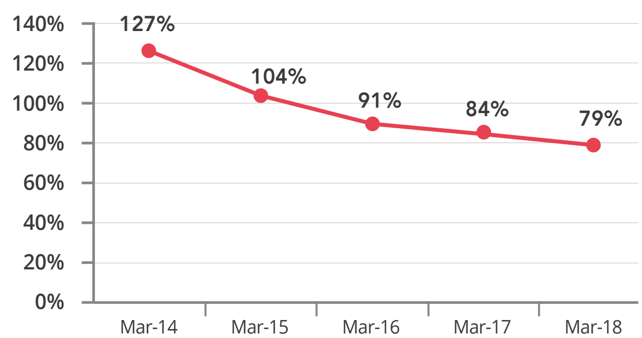
Fees and commissions earned from equity brokerage activities accounted for 17% of total revenue, which represents a significant increase of 46% over the prior year, as a result of the substantial efforts of the team in gaining market share.

Gains on securities trading for the year amounted to TT$4.3m, an improvement of 37% over the prior year. JMMB Investments (Trinidad and Tobago) Limited was able to successfully rebalance its investment portfolio during the year by trading out of securities impacted by weakening fundamentals and volatile prices.

Components of Other Income (TT$' 000)



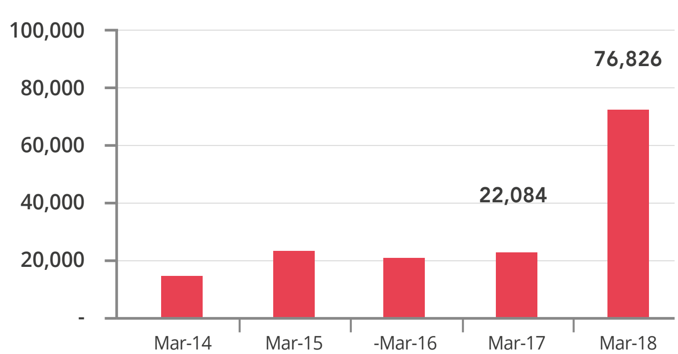
Operating Efficiency



Efficiency

Despite an increase in operating expenses of 19% over the prior year as we built out human capital and infrastructure, operating efficiency improved for the fourth consecutive year. Expenses are comprised of 60% staff costs, 8% premises rental, 5% advertising and promotions and 27% other operating expenditure.

Capital Base (in TT$' 000)



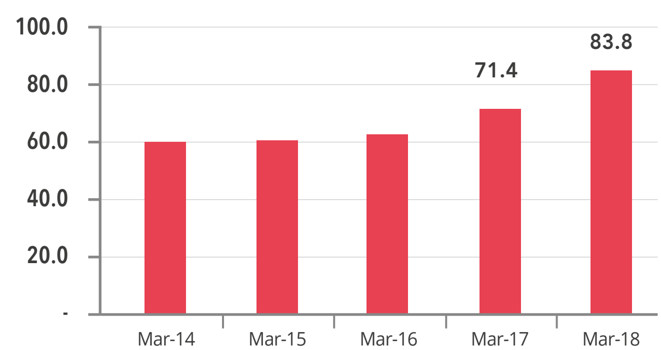
Capital Base

As previously noted, the Group, in recognition of the tremendous potential of the investment management business line and its importance to the financial market in Trinidad and Tobago, has injected TT$50m in equity capital into its operations. This has resulted in its capital base moving from TT$16m in 2014 to almost five (5) times that number at TT$76.8m in just four (4) years.

- BANKING

Our banking operations stood resilient in the face of another year of a stagnated economy. Registering growth in its core loan portfolio of 8% (higher than the average market growth rate of 6.6%) and growth in its investment portfolio of 30%. However, profitability was impacted by an increase in the tax rate from 30% to 35%. This contributed to profit after tax of TT$8.8m for the financial year ended March 31 2018, a 21% year on year decline.

Net Interest Income (in TT$' millions)

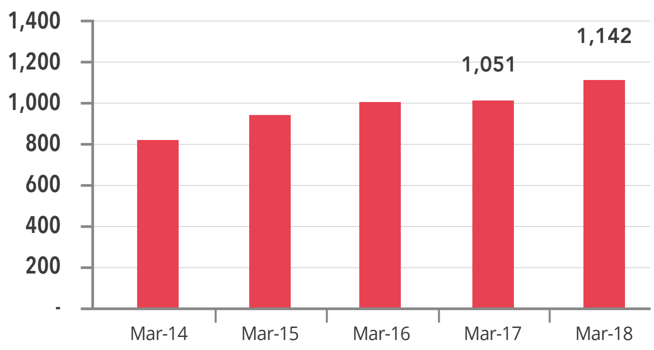


Net Interest Income

Net interest income (NII) for the period increased by 17% from TT$71.4m in March 2017 to TT$83.8m. NII consists of loan interest income and investment interest income net of the interest expense on funding instruments and accounted for 73% of total operating income from banking operations.

Notwithstanding the tough economic climate and intense competition from banks as well as non-bank financial institutions over the past three years, the bank's loan portfolio has shown a positive growth trajectory. Clients continued to be plagued by non-payment of amounts owed by government agencies as well as long delays in accessing adequate foreign currency to settle foreign payments. This has had a negative effect on their ability to generate cash flows to meet obligations including their loan commitments.

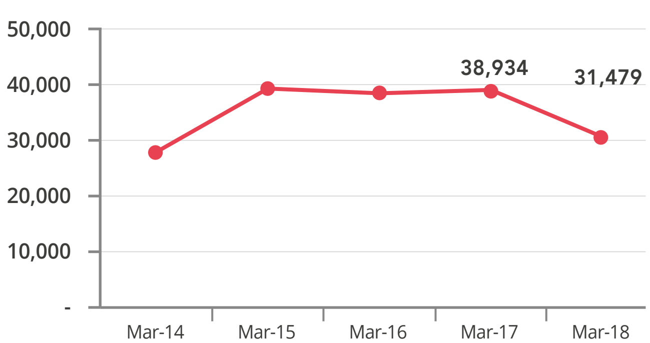
Loan Portfolio (in TT$' millions)



Investment interest income also grew year on year by 45% consistent with the increase in the investment portfolio from TT$369m in 2017 to TT$477m, as at March 31, 2018.

The Bank's client deposits base grew by TT$178.2m or 11% over that of the prior year in line with the growth in its assets. Critical to the bank's strategy is the management of its funding costs to ensure we offer clients competitive pricing on our lending solutions.

Other Income (TT$' 000)



Other Income

Other income fell by 19% over prior year, moving from TT$38.9m to TT$31.5m in 2018. The main driver of this performance was a decline in foreign exchange revenues from TT$27.9m in 2017 to TT$20m in 2018, a reflection of the continued shortage of US dollars in the market.

Efficiency

Total operating expenses increased by 7.5% or TT$6.9m. Staff costs accounted for 52% of total operating expenses, mainly driven by the bank's continued focus on the building out of its sales teams and the training and professional development of its team members.

Despite efforts to manage delinquency, the Bank's non-performing portfolio rose from TT$45m at the end of the last financial year to TT$87m as at March 2018, contributing to an uptick in loan loss expense from TT$2.3m to TT$3.1m over the year.

In light of these increased expenses, operating efficiency deteriorated from 85.30% in March 2017 to 88.30% in March 2018. The Bank, however, remains focused on improving its operating efficiency through investment in the revenue generating capacity of its sales teams and management of its operating expenses.

Capital Base

Shareholders' equity closed at TT$213.2m at the end of the financial year, an upswing of TT$42.2m, mainly due to an injection of capital of TT$30m in October 2017 as well as profits generated for the year. During the year, the Bank also increased the issue size of its existing subordinated debt which further added to its regulatory capital base.

The Bank proactively manages its capital utilisation and has maintained a capital adequacy ratio in excess of the regulatory requirement over the course of the year and is well positioned to execute its future growth strategies.

III. 2018/2019 OUTLOOK FOR JMMB IN TRINIDAD & TOBAGO

The team has spent significant effort in building the foundation of a strong brand presence in Trinidad and Tobago and intends to focus on the following strategies to ensure we continue to deepen market share:

2018/19 FOCUS FOR JMMB IN TRINIDAD & TOBAGO

Client Experience
- Address client pain points in key service delivery channels
- Embed client partnership standards

Enhance Sales Teams
- Embed tools for integrated sales and cross selling
- Continuous focus on Financial Partnership

Country Sales Approach
- Embed One Client, One Relationship Approach
- Implement country sales structure

Financial Inclusion
- Financial Education for Clients
- Reach the unbanked and underbanked via new services

Improve Efficiency
- Opportunities to optimise existing infrastructure and reduce costs
- Standardisation of systems and processes

We remain excited about the future of the financial services industry in Trinidad and Tobago and look forward to further growth in the market.

DOMINICAN REPUBLIC

I. COUNTRY STRATEGY OVERVIEW & FINANCIAL PERFORMANCE

A Ten Year Milestone for the JMMB Group in the Dominican Republic

Financial Year 2017/2018 represented a significant milestone for the Group's operations in the Dominican Republic (DR) as we celebrated our first 10 years in the country. What began as a single operation offering only investment brokerage services, has grown to include four companies, 150 team members and a product suite representative of the JMMB Group's strategic objective of delivering an integrated financial services model.

Our operations in the Dominican Republic now include Investment Advisory and Securities Brokerage, Pension Fund Management, Investment Management and Banking Services.

As at the end of Financial Year 2017/18, the DR Group of Companies surpassed RD$11.5bn in total funds under management (FUM), a significant milestone achieved through teamwork and the successful execution of our established strategic objectives. We are encouraged by the team's many accomplishments during the year and the ten years JMMB has been in the Dominican Republic and remain focused on the execution of our long-term strategic plan to drive market share expansion and sustainable growth.

Country Contribution

For Financial Year 2017/18, the Group's Dominican Republic operations' operating revenue totalled RD$605.3m up from RD$439.7m, an increase of 37%. This was mainly due to increased net Interest Income (NII) and gains on securities trading. NII grew in the domestic currency by 78% moving from RD$161m to RD$287.1m on account of larger investment and loan portfolios while gains on securities trading totalled RD$267.6m (includes trading, bond sales from portfolio, and price forwards), up from RD$226.8m in the prior period, an increase of 18% in local currency.

Financial Performance Indicator	Year Over Year Growth (%)
Total Operating Revenue	37%
Net Interest Income	78%
Gains on Securities Trading	18%

Macroeconomic Backdrop

According to figures published by the Central Bank of the Dominican Republic (BCRD), the economy reflected a real increase of 4.6% in GDP, supported by monetary easing measures adopted by the monetary authority as of August 2017. The monetary easing consisted of the reduction by 2.2 percentage points of the legal reserve and the reduction of the policy rate by 50 basis points (from 5.75% to 5.25%) in July 2017. These measures caused a fall in market interest rates, thus creating a multiplier effect on private credit in national currency, which registered year over year growth of 11.9%, above the expansion of nominal GDP.

The impact of these positive economic results is evidenced by the growth in the Hotels, Bars and Restaurants (6.8%), Financial Services (6.2%), Agricultural (5.9%), Free Zones (5.5%), Transport and Storage (5.1%), Construction (3.7%), Local Manufacturing (3.0%) and Commerce (3.0%) sectors. The construction sector also exhibited growth of 15.2% in the last quarter of 2017, after having contracted in the April-June quarter, moving the cumulative January-December growth of this sector to 3.7%.

With respect to inflation, the BCRD indicated that it recorded an increase to 4.20% during the year 2017, within the target range of 4.0% ± 1.0. The exchange rate stability helped to keep inflation levels low, with the accumulated depreciation of the currency for 2017 being 3.3%, compared to the level recorded at the end of 2016.

It is estimated that the economy will grow around 5.50% in 2018, with construction, tourism and local manufacturing accompanied by the expansion of public spending but at a slower pace than last year, of which a fiscal deficit of -2.2% of GDP is projected. With respect to interest rates, no changes are anticipated in the monetary policy rate during the first half of the year. It is rather expected that the central bank will carry out certain competitive auctions with the objective of sterilising the monetary base and preventing excess liquidity due to maturities and payment of coupons scheduled for 2018, which may affect the target inflation goal in the target range of 4.00% ± 1.00%.

The depreciation of the Dominican peso against the US dollar is expected close to the average observed in the last four years, considering that the oil prices are rising above the programmed levels and the flow of income from tourism, family remittances and external financing remains the same.

Embedding Client Experience and Financial Partnership

This year's strategic imperatives focused on increasing sales productivity and capacity, improving operational efficiency and embedding the client experience and our financial partnership culture. We therefore made investments in our team, systems and technology to help us achieve key objectives for the year. Importantly, we delivered solid financial results in a challenging interest rate environment by focusing on our clients and managing risk effectively.

During the FY 2017/2018 we revamped our Client Partnership team (financial advisors) and prioritised getting our financial partnership strategy right.

To this end we:

- Strengthened the technical and soft skills of our advisors
- Created new roles to ensure a career path for Client Partnership team members and increase motivation
- Added new specialised advisors for commercial clients and SMEs and rolled out our "One Investment Team" approach to partnership
- Reviewed the sales and service process to make it more efficient, less operational and more client centric

One of the major wins for the Investment business line, coming out of the actions taken, was an increase in the active client base of 45% of total clients from 39% at the closing of the previous financial year. Having a "One

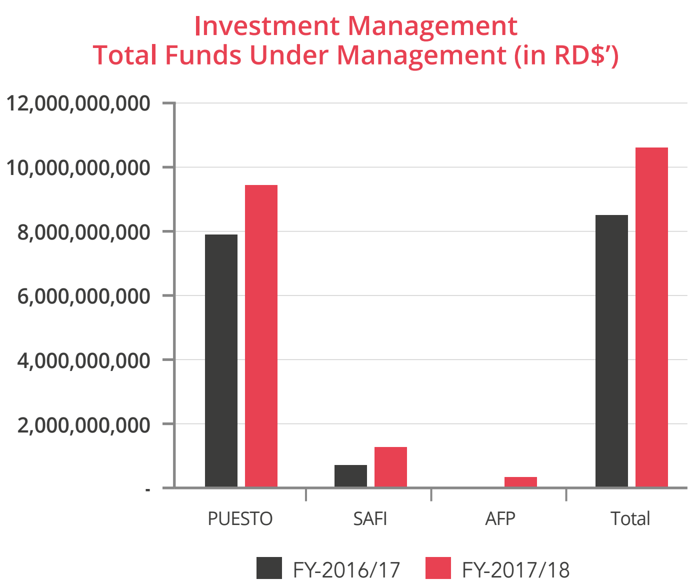
Investment Team" approach allows our clients to interact with one financial advisor while the advisor serves the client in an integral way, recommending the best financial solutions across our portfolio to achieve their and their family's goals.

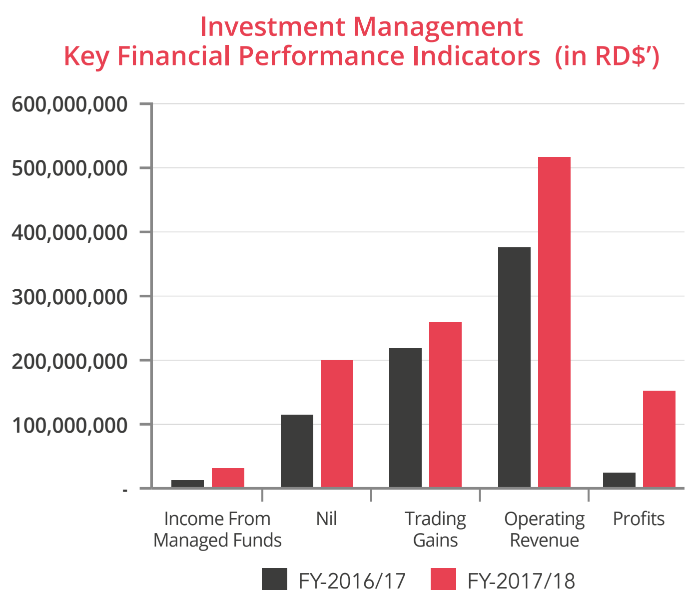
Business Line	Entity
Investment Management	• JMMB Puesto de Bolsa, S.A (Securities Broker), • JMMB Sociedad Administradora de Fondos de Inversion, S.A. (Fund Management), • AFP JMMB BDI, S.A. (Pension Funds Administrator)
Banking	• Banco de Ahorro y Crédito JMMB Bank, S.A.

II. BUSINESS LINE PERFORMANCE

The performance of the entities comprising the Group's operations in the Dominican Republic detailed below is based on the business line segments which they contribute to.

- INVESTMENT MANAGEMENT





Financial Performance

Total funds under management from the Investment Management entities for the financial year under review stood at RD$10,672.68m which represents year over year growth of 26.16% while total NII for the year was RD$198.4m, 76% growth when compared to the previous year. Income from managed funds for the period totalled RD$24.48m, representing growth of 334.51% over the prior year and total trading gains stood at RD$267.60m, a year over year increase of 18.1%. Operating revenue for the year totalled RD$508.31m, an increase of 42.75%, while Total operating profits was RD$138.16m representing growth of 670.61%.

Puesto, Solid Performance

JMMB Puesto de Bolsa, S.A. net profit after tax increased from RD$68.6m in 2016/2017 to RD$167.3m in the current year, an increase of over 144%. This performance was accomplished as a result of solid improvements in net interest income as well as trading gains. Net interest income increased approximately 77.83% moving from RD$108.7m to RD$193.3m, as a result of asset growth and active spread management. Securities trading gains increased by 18.04% from RD$226.7m to RD$267.6m.

Funds Management, New Funds & Growth

Assets under management for our mutual funds business line grew by 69% to RD$1.11bn resulting in an increase in income from managed funds of 291% during FY 2017/18.

JMMB Sociedad Administradora de Fondos de Inversion, S.A. (SAFI) serves clients through various funds which provide diverse investment opportunities to meet their life goals. Our Funds include:

Our JMMB Fondo de Inversion Cerrado Inmobiliario (Real Estate Trust Fund) which is a close ended US dollar fund that offers investors exposure to commercial real estate domiciled in the Dominican Republic. The total authorised quota for the fund is US$25m of which US$6m was issued as at the end of the financial year. As at the end of the period, the fund had approximately 461 clients.

Our JMMB Fondo Mutuo de Mercado de Dinero (Money Market Fund) is an open ended fund with a 1-day tenor that offers both institutional and retail clients the ability to receive a higher returns on their operating balances. As at the end of the financial year, total AUM stood at RD$418m representing a 106% increase over the prior year. The total number of clients at the end of the period was 264.

New Funds

We are pleased to report that during the financial year, we added to our suite of funds two (2) additional open ended funds which cater to investors with a slightly moderate risk profile and medium-term investment horizon. In this context we introduced a 1-year and 90-day fund, JMMB Fondo Mutuo de Rentabilidad Dinámica and JMMB 90-Day fund respectively.

The JMMB Fondo Mutuo de Rentabilidad Dinámica (with a 365 day tenure) was launched March 2017 and during its first year of operations has amassed AUM of RD$353m and approximately 218 clients. The JMMB 90-Day fund was still in its pre-operational stage as at the writing of this report but has already amassed approximately RD$23m.

Pensions

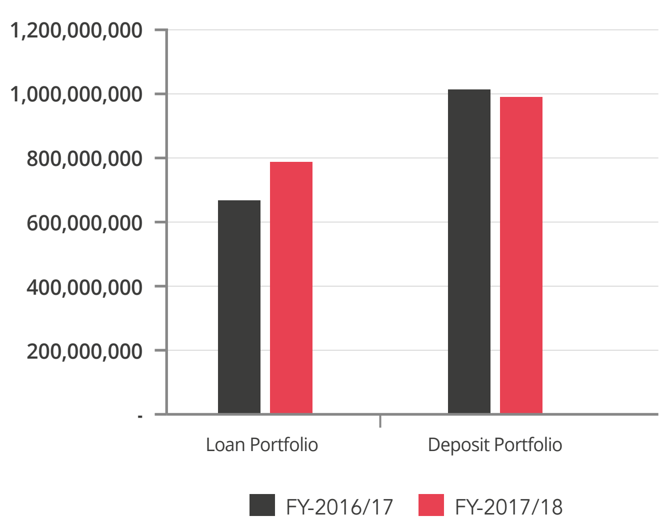
Our pension business lines became operational in August 2017. The primary focus for the financial year was the transfer of our team members as well as the team members from our strategic partners' businesses. As at March 31, 2018 we amassed over 700 clients and AUM of RD$300m.

Client Partnership and Integrated Financial Services

A key component of our strategy in the Dominican Republic is to embed our financial partnership culture and offer integrated services to all our clients. This allows us to deepen wallet share by leveraging our existing client base in our investment management and banking business lines, offering solutions consistent with our clients' life goals, and as part of an integrated solution set. At the start of Financial Year 2017/18 we observed that less than 8% of our existing client base of the JMMB Puesto de Bolsa, S.A. was investing in both mutual funds and our traditional repo product. Through our financial partnership approach, this indicator has increased to 13% by the end of the financial year. These efforts will continue in the upcoming financial year across all business lines.

- BANKING

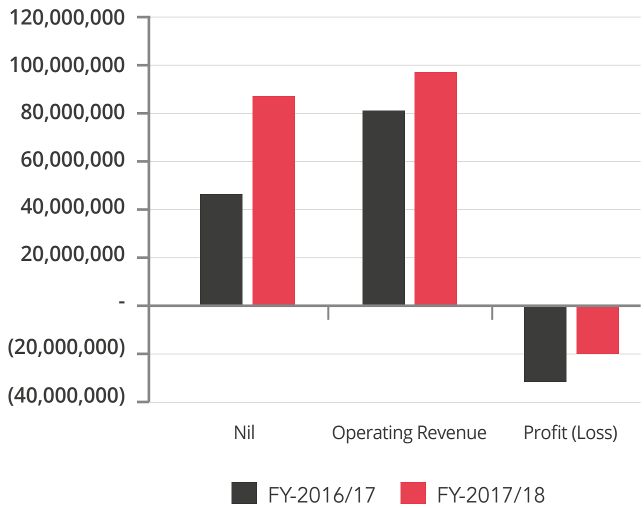
Loan & Deposit Portfolio (in RD$')



Total loans at year-end were RD$770.20m, 17% higher than the previous financial year. Commercial loans totalled RD$331m, representing a 43% increase while consumer loans grew 3% to RD$416m. The above average performance in the commercial loan portfolio was driven by the addition of qualified lenders for the SME segment, which registered an impressive increase of 49% over the prior financial year.

Total deposits at year end were RD$986.47m which was marginally lower by 3.38% when compared to the previous. This outcome was driven primarily by a net reduction in our related party balances. We continue to focus our efforts on building a solid core deposits base inclusive of client diversification.

Bank Performance KPI's (in RD$')



Net interest income grew by 91% moving from RD$44.6m in 2016/2017 to RD$85.4m in 2017/2018. This outcome represents a combination of the loan growth as well as active management of our cost of funds. The foregoing, coupled with focused expense management, resulted in the net profit and loss results for the financial year being 31% better than the previous financial year. For 2017/2018, the net loss position trended downwards to RD$19.9m versus RD$28.8m in the previous financial year. We are encouraged by this trajectory which we expect to continue in the upcoming financial year.

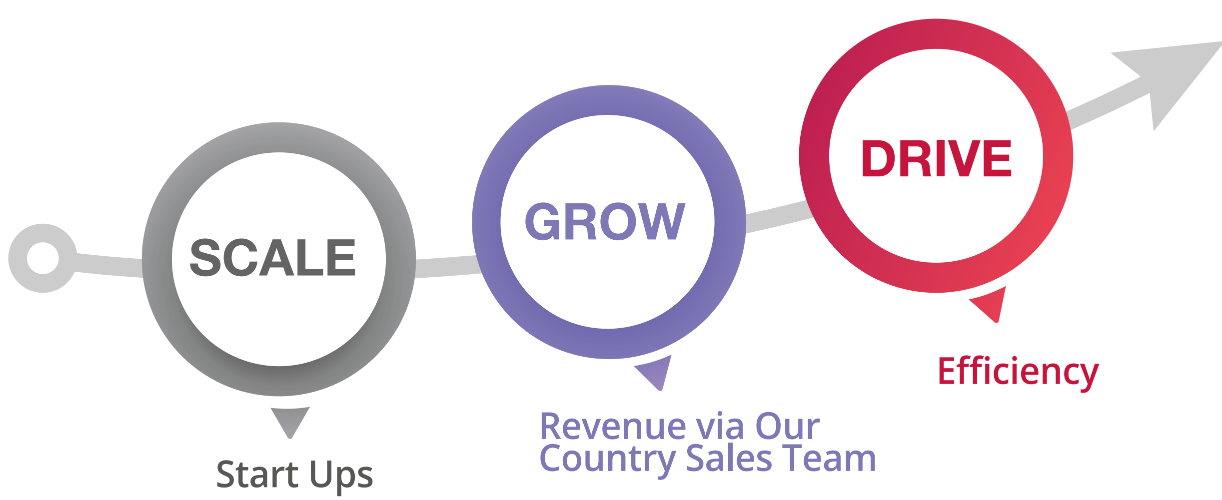
Key credit risk statistics for this FY 2017/18 show improvement over the last period as the bank closed the financial year with a delinquency ratio of 1.82%. This was among the lowest in the industry and 2.2 times lower than previous financial year.

During FY 2017/18, the Board of Directors approved a capital increase of RD$200m. This increase in capital supports our growth strategies and enables us to take advantage of current opportunities in our market and strengthens our capital adequacy ratios.

III. 2018/2019 OUTLOOK FOR JMMB IN THE DOMINICAN REPUBLIC

The DR team is encouraged by our year end results and overall direction. We will continue to capitalise on the many opportunities available in the market, recognizing that we have a distinct competitive advantage to truly deliver differentiated integrated financial services value proposition. Our focus for the coming financial year thus includes scaling our start-up companies, deepening market penetration via our One Sales Team approach and driving efficiency.

2018/19 FOCUS FOR JMMB IN THE DOMINICAN REPUBLIC



FINANCIAL YEAR 2018/19 - THE GROUP'S STRATEGIC FOCUS & OUTLOOK

Our journey continues in the coming financial year with a refined focus aimed at intensifying the consolidation and growth phases of our strategy. Critical to these phases, which will run concurrently for at least the next two financial years, is maintaining emphasis on maximising strategic synergies and extracting operational efficiency from our entire portfolio of companies across the Group, while driving the growth of our core business lines in all three territories.

Strategic Projects to Drive Consolidation & Growth

Our strategic projects for the coming year are thus intended to drive the growth of our banking and investments business lines, increase our integrated locations footprint, improve client access, expand services offered on digital channels and standardise our Group, country and business line operations.

Improving Client Experience – One Group. One Client. One Experience.

We are mindful that as we have added new channels, business lines, services and solutions in the last six (6) financial years, we have had challenges maintaining the consistency of our experience standard across all of our touch points and service delivery channels. We acknowledge that we may not have always struck the right balance when aligning our resources and priorities with our value proposition, particularly in the last two (2) financial years. We, however, remain committed to our promise of 'Best Interest' and Partnership and thus will be addressing these challenges in the coming financial year by critically challenging the way we currently do business, taking hard decisions to implement change and adjusting our approach where necessary.

To do this, we have adopted an agile approach to fixing what we term 'Client Pain Points'; particularly negative experiences in key channels and at critical points of our clients' journeys with us. The pain points we will be addressing include: wait time in branches and time taken and process to start a relationship with us and/or open an account for new and existing clients.

Another area we will be looking at and changing for an improved experience with us is our approach to financial partnership. We know this is what differentiates us in the markets in which we operate, and so will be more deliberate in how we structure and enable our teams to be able to truly deliver on it. We are therefore focused on embedding the use of critical enabling technology to support the nurturing, monitoring and management of client relationships, the certification and re-certification of our advisors, revisiting our solution sets to ensure they are tailored to meet our clients' needs and aligning our touch points and channels such that they all reflect key elements of our partnership strategy.

To do all this, we have formed cross - functional teams across the Group which are committed to ensuring that the initiatives and activities supporting these focus areas are successfully executed in each territory. Our aim is not only to address country or channel specific issues affecting our clients' experiences with us. It is rather to, through a client centric approach, ensure that our core values and standards are felt by all our clients no matter which location or territory they choose to interact with us. We have dubbed this approach: One Group. One Client. One Experience.

Financial Inclusion: Innovation, Love and the Greatness in All

Our vision for financial inclusion is to facilitate financial empowerment for all and not just a subset of society. Through this, the Group intends to create transparent and empowering offerings and experiences for clients underserved by traditional financial services; ultimately helping clients meet their needs and improve their quality of life and that of the communities in which they live and work.

In line with this vision, we have carved out of our existing core strategy, a financial inclusion strategy which will be executed in parallel by leveraging the capabilities of existing entities within the Group to introduce financial services and solutions. This strategy mirrors the Group's core strategy and business model in that an integrated approach to operations, solutions and service delivery will be used to meet the needs of target client segments. At the heart of our strategy sits innovation as we intend to:

- Redefine access and financial services for these segments;
- Remove as many barriers as we can to access and use and;
- Develop solutions which utilise a mix of traditional and non-traditional channels that are low cost, convenient, efficient and effective in reaching the targeted demographic.

In the coming financial year, the Group intends to initialise this strategy with the launch of micro-financing services in Trinidad and Tobago and expanded remittances services in Jamaica.

Growing the Group with your Best Interest at Heart

We close this financial year, the 25th year of our operations, thankful for the many milestones reached and achievements attained on our journey, particularly in the last six (6) financial years. We enter the new financial year recommitted to our core of love. We remain hopeful and confident that we will continue to see significant gains in the build out of our regional and business line diversification strategy and realise sustained value for all our stakeholders, clients, shareholders and team members, for whom we continue to build the JMMB Group with their Best Interest at Heart.


We believe
everyone deserves
a chance to
prove their
greatness.
THE JMB GROUP LTD.

EXECUTIVE TEAM LEADERS

PETA-GAYE BARTLEY

GROUP CHIEF INTERNAL AUDITOR

Peta-Gaye joined the JMMB Group team in 2016 as Group Chief Internal Auditor, where she is responsible for determining the overall strategy and leading the execution of internal audits across the Group.

With 13 years working experience in the internal audit field across various industries, primarily financial services, Peta-Gaye brings a wealth of knowledge and experience to her post. She started her career at KPMG, where she undertook financial statement audits, thereafter moving to PricewaterhouseCoopers Jamaica (PwC) where she held several senior positions. While at PwC, she led internal audit assignments for several large to medium sized clients in Jamaica, the Cayman Islands and Antigua.

She holds a Bachelor of Science degree in Accounting and Management Studies from the University of the West Indies, Mona and certification in internal auditing and fraud examination. Peta-Gaye is also a Chartered Accountant and a Fellow of the Association of Chartered Certified Accountants (U.K).

DAMION BROWN

GROUP CHIEF RISK OFFICER

Damion's 10-year journey in finance has been one led by passion and delivered with purpose. Always possessing a keen interest in finance and how it enables economic growth and improvements in people's lives, Damion has built a career that is defined by strong technical expertise in risk and macroeconomic analysis and investment management. As Group Chief Risk Officer, he possesses certified skills and vast experience in the industry. His first professional assignment as an Economist at the Bank of Jamaica in 2003 prepared him well to enter the unique world of investment at JMMB, as an Investment Strategist in 2007.

Within a year, Damion was appointed Market Risk Manager, and following a three-year hiatus from the Group when he was Principal at the Bermuda Monetary Authority, returned to assume his current position in 2012. He now has oversight of risk functions for the diversified financial services Group. His responsibilities reflect the focus of the JMMB Group on maintaining its financial strength and ensuring that a robust framework is in place to safeguard shareholder value. Damion has also led the technical work on behalf of the securities industry with respect to proposed regulatory developments.

In addition to holding a BSc and MSc in Economics from the University of the West Indies, Damion also has several professional certifications including Chartered Financial Analyst (CFA Institute), Financial Risk Manager (Global Association of Risk Professionals), Professional Risk Manager (Professional Risk Managers' International Association) and Chartered Alternative Investment Analyst (Chartered Alternative Investment Analyst Association) designations.

PROFILES

CAROLYN DACOSTA

GROUP CHIEF COMPLIANCE OFFICER AND CORPORATE SECRETARY

Carolyn, in her current capacity, has overarching responsibility for ensuring that the JMMB Group complies with standard financial and legal practices and maintains the defined standards of corporate governance. As such, she oversees the establishment, implementation and monitoring of the Group's compliance and regulatory framework.

In keeping with the Group's commitment to effective corporate governance, she ensures compliance with all relevant statutory and regulatory requirements, monitors changes in relevant legislation and ensures the taking of appropriate action, as required.

Carolyn's professional qualifications include a Bachelor of Laws degree from the University of London, a Bachelor of Arts degree from the University of the West Indies, and an MBA in Finance from the Manchester Business School. Additionally, she is a Fellow Member of the International Compliance Association and a Justice of the Peace for the parish of St. Catherine.

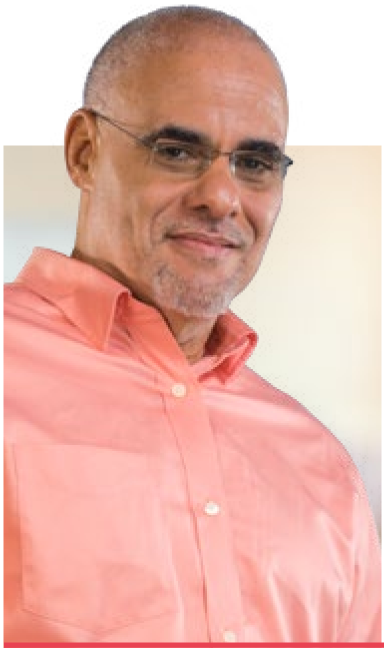
DONNA DUNCAN-SCOTT

GROUP CHIEF CULTURE & HUMAN DEVELOPMENT OFFICER

Donna is guided by the philosophy that: "We were born to manifest the glory of God. It is not just in some of us; it is in every one of us". She is committed to sharing this fundamental truth in all aspects of her life. As Group Chief Culture and Human Development Officer she leads the design and development of programmes and practices to deepen JMMB's unique culture of being in the world of team members and clients and having their best interest at heart.

Donna has a B.Sc. in Engineering, as well as an MBA from the Richard Ivey School of Business at the University of Western Ontario in Canada. She also holds the distinguished Chartered Financial Analyst designation.

EXECUTIVE TEAM LEADERS



KEITH DUNCAN

EXECUTIVE DIRECTOR & GROUP CHIEF EXECUTIVE OFFICER

Keith is the Group Chief Executive Officer and has served in this capacity since 2005. A true visionary and strategist, he built one of the strongest trading teams in Jamaica. His financial expertise has not only benefited the JMMB Group, but also the Jamaican financial sector. A former president of the Jamaica Securities Dealers' Association, he was involved in the partnership with the FSC in designing and implementing new structures and models to enhance the effectiveness of Jamaica's market players.

Keith served as a Vice-President of the Private Sector Organization of Jamaica during the period 2012 to 2014 and continues to contribute to Jamaica through various roles including co-chair of the Economic Programme and Oversight Committee (EPOC). He holds the Chartered Financial Analyst designation as well a B.A. (Economics) from the University of Western Ontario in Canada.

PATRICK ELLIS

GROUP CHIEF FINANCIAL OFFICER

Since 2008, Patrick has held the post of Group Chief Financial Officer, a role which includes the oversight and execution of the Company's strategic and financial operations. Chief among his responsibilities are the preparation of financial statements, regulatory reporting, assessing the viability of possible acquisitions, as well as financial management for JMMB's operations in Jamaica, Trinidad & Tobago and the Dominican Republic.

Before beginning his stint at JMMB, Patrick served as a director in the Audit Assurance and Advisory Department at Pricewaterhouse-Coopers (PwC), where he led the management of the audits of major companies in the financial and telecommunications industries in Jamaica and the wider Caribbean. His experience as a multi-sectoral relationship manager included preparing a company for private listing on the Securities Exchange Commission and audit certification pertaining to bond offerings in international capital markets.

Patrick holds an MBA (Finance) from the Manchester Business School and is also a Fellow of the Chartered Association of Certified Accountants (U.K.), a Fellow of the Institute of Chartered Accountants of Jamaica as well as a Certified Public Accountant.

PROFILES

JULIAN MAIR
GROUP CHIEF INVESTMENT STRATEGIST

With over 20 years of experience in the financial services sector, Julian currently operates as JMMB's Group Chief Investment Strategist. In addition to his position at JMMB, he has played a significant role in the development of Jamaica's capital market.

His work experience includes positions at foremost Jamaican financial institutions, as Head of Treasury and Investment Services at Dehring, Bunting and Golding Limited (now Scotia Investments Jamaica Limited) and Senior Trader and Cambio Manager at JMMB. In addition, he has partnered and consulted with various international financial institutions and the Government of Jamaica, in structuring Global Bond Issues. A former Managing Director of Lets Investment Limited, his leadership resulted in the boutique operation becoming a global player in the trading of internationally issued securities.

A founding member and current Vice-President of the Jamaica Securities Dealers Association (JSDA), Julian also serves various institutions as a director, including JMMB Securities Limited, JMMB International Limited, JMMB Puesto de Bolsa; Factories Corporation of Jamaica and the Jamaica Stock Exchange.

JANET PATRICK
FINANCIAL CONTROLLER – PLANNING AND STRATEGY

Janet was appointed Financial Controller in 2007, being promoted from her initial position of Chief Accountant, which she held from 1998.

In her current role, her extensive experience in accounting and auditing are called upon, as she has direct responsibility for the preparation of the Group's budgets and forecasts, management reporting and taxation.

Prior to joining JMMB, Janet garnered extensive experience in the financial sector, primarily as a member of the senior audit staff of KPMG, Chartered Accountants, working on major audit assignments and several special projects, spanning the financial, manufacturing and hospitality industries.

Janet is a chartered accountant with a Diploma in Business Administration (Accounting) from the University of Technology, Jamaica.

EXECUTIVE TEAM LEADERS

SHELDON POWE

GROUP CHIEF INFORMATION OFFICER

Sheldon currently serves as Group Chief Information Officer, following over a decade and a half of service to the Company. In his position as Head of the Technology Unit, he has a mandate to ensure a stable and secure electronic platform for the ongoing provision of services that enhance the efficiency and effectiveness of the JMMB Group of Companies. He is also responsible for creating and maintaining a highly professional, customer oriented and innovative IT function and developing and delivering a reliable IT strategy that drives excellent outcomes. Further, he directs the operations of JMMB's technology platform, ensuring network security and reliability, overseeing the data centres and frontline applications including online services, electronic transaction machines (ETMs), client care centre and other in-branch transaction processing systems, information security and IT disaster recovery.

Sheldon holds a Bachelor of Science degree from the University of the West Indies, Mona and a Masters degree in Industrial and Systems Engineering from the University of Florida. His expertise is supported by various certifications including Project Management Professional (PMP), Certified Information Systems Auditor (CISA), Certified Information Security Manager (CISM), Certified Scrum Master and ITIL V3 certified.

KERRY-ANN STIMPSON

GROUP CHIEF MARKETING OFFICER

Kerry-Ann is an expert financial marketer whose strong passion for her craft has led to continued top-level performances, and a marketing career defined by excellence. With 15 years of marketing management experience in the financial services sector, Kerry-Ann added even greater heft to the JMMB marketing team in late 2012, when she assumed responsibility for marketing strategy development and execution for the JMMB Group, as Group Chief Marketing Officer.

Her professional journey in marketing began at the former Dehring, Bunting & Golding Limited (DB&G). Under her leadership, the marketing approach of the DB&G brand became synonymous with both a unique style of creativity, and pushing the proverbial envelop. In 2007, she assumed the role of Assistant Vice President, Marketing and Public Relations, at First Global Bank Limited; then moved to an expanded role as Assistant Vice President, Marketing, for First Global Bank and First Global Financial Services Limited, in 2008.

Kerry-Ann holds a Bachelor of Science (BSc) degree, with a major in Management Studies and minor in Economics, from the University of the West Indies and a Master of Business Administration (MBA), with a specialization in marketing, from the Robert H. Smith School of Business, at the University of Maryland (College Park).

Kerry-Ann is also a communication coach, a motivational speaker and (her personal favourite) a summer camp counsellor for teenagers and young adults.

PROFILES

CLAUDINE TRACEY
GROUP CHIEF STRATEGY OFFICER

Claudine joined the JMMB Group team as Group Chief Strategy Manager in 2016, bringing a well-decorated career in risk management, strategic management, business analytics, project management, compliance and product development to bear on the role. She has a strong track record of delivering results and providing innovative solutions to companies' challenges, while contributing significantly to revenue generation and/or cost reduction through the redesign of business processes and analytics.

She has garnered a wealth of experience in strategy, enterprise risk management, compliance, micro, small and medium-sized enterprises capacity building, and new product development over her 13 year stint in the financial industry, coupled with service at government entities where she held senior positions. Her strategic management and corporate planning expertise are supplemented by her human resource planning and research and project management knowledge base.

Claudine holds a Bachelor of Science and a Master of Business Administration (MBA) from the University of the West Indies, Mona, in Economics and Psychology and Banking and Finance respectively. These are complemented by certification in International Risk Management, and she is also an Accredited Director. She is the chairperson of Turner Innovations.

HEADS OF COUNTRY

KISHA ANDERSON

COUNTRY CHIEF EXECUTIVE OFFICER - JAMAICA

Kisha began her tenure with JMMB in 1996, and has since worked in several areas of the Company's operations. Kisha currently serves as Country Chief Executive Officer of JMMB's Jamaican-based subsidiaries: Jamaica Money Market Brokers (JMMB) Limited, JMMB Bank (Jamaica) Limited, JMMB Insurance Brokers Limited, JMMB Fund Managers Limited and JMMB Securities Limited (Jamaica).

Kisha has gained an in-depth understanding of the financial sector, through her extensive experience as part of the JMMB team and knowledge gained through her participation in a range of professional development courses including project management, retail banking, people management and securities. She entered the field with a degree in Environmental Sciences from the UWI, Mona. In November 2015, she completed a four (4) month Harvard Business School General Management Program, where she gained invaluable knowledge and exposure to new paradigms and techniques to support her strategic and leadership capabilities.

With her innovative ideas, solution-oriented work ethic and drive for excellence in performance, Kisha continues to play a key role in leading her team's contribution towards the realisation of the integrated financial services model for the JMMB Group in Jamaica.

She currently sits as a Director on the Boards of JMMB Insurance Brokers Ltd., JMMB Fund Managers Ltd., JMMB Securities Ltd., JMMB Money Transfer Ltd.,JMMB Investments (Trinidad & Tobago) Ltd. and JMMB Securities (T&T) Ltd.. She is a Justice of the Peace for Kingston.

GUILLERMO ARANCIBIA

BUSINESS DIRECTOR FOR LATIN AMERICAN REGION

Guillermo is the CEO of JMMB Puesto de Bolsa, S.A, and former Country Manager of the Dominican Republic, a role he has held since 2006. He joined the JMMB family with over 20 years' experience in the financial sector specializing in commercial banking. He worked for over 19 years with the Citigroup in regional management positions for Latin America.

He had the responsibility for operations in the 14 countries in which Citibank operated. Guillermo also served as Manager of Corporate Communications, Products and Channels at Grupo Altas Cumbres and General Manager, Corporation Financiera Miravalles in Costa Rica, before joining JMMB.

In his new role, Guillermo is charged with seeking new opportunities to expand our regional presence and grow our business lines.

He brings to the JMMB family a variety of skills including special skills in banking, prudent risk management, strategic financial planning and mergers and acquisitions.

PROFILES

PAUL GRAY

INTERIM COUNTRY CHIEF EXECUTIVE OFFICER – DOMINICAN REPUBLIC

With over 20 years in the financial industry, Paul brings a wealth of knowledge and experience to his role of Group Chief Investment & Treasury Officer, having built a solid track record in asset management, trading and treasury management. In this capacity, he has Group oversight responsibility for the investment management framework, which includes portfolio build out and management, liquidity planning, funding and hedging strategies.

Paul is the Chairman of the Group Investment and Liquidity Management Committees and also serves on the Board of JMMB Insurance Brokers Limited and JMMB DR Sociedad Administradora de Fondos de Inversión S.A. He is a member of the ALCO committees of JMMB Bank (Jamaica) Limited and JMMB Bank (Trinidad and Tobago) Ltd.

Paul has been seconded to the Dominican Republic. He is responsible for the oversight of the Country's operations and strategic direction.

Paul has received professional training in treasury, asset/liability and risk management, both locally and overseas. He also holds a Master's degree in Finance from the Manchester Business School UK.

HEADS OF ENTITIES

RONALD CARTER

CHIEF EXECUTIVE OFFICER – JMMB INVESTMENTS (TRINIDAD AND TOBAGO) LIMITED AND JMMB SECURITIES (T&T) LTD.

Ronald's financial services and investment management experience spans 25 years across the Caribbean and the United States. He has held several senior positions within a number of top tier global financial institutions and successfully led businesses in wealth and investment management, capital markets and corporate banking. Ronald has significant technical experience in corporate finance and investments and an outstanding track record in managing large and highly sophisticated investment portfolios. His career has been built through his all-embracing approach to management and focus on service. He is also a successful entrepreneur, having co-founded, built and sold a successful company that delivers specialized information management services to large and medium-sized institutions.

Ronald holds a BSc (Honors) degree in Business Management with a major in Accounting from the University of the West Indies and a Master of Business Administration with a concentration in Finance from the New York University-Leonard N. Stern School of Business.

KEISHA FORBES-ELLIS

CHIEF EXECUTIVE OFFICER - JAMAICA MONEY MARKET BROKERS LIMITED

Keisha has over 19years' experience in the local financial services industry having joined JMMB in 1997, as a Trading Assistant. Keisha was promoted through the ranks of the trading department where she successfully traded JMMB's portfolios in various capacities. Prior to her current role as CEO, she was Head of Trading and Treasury. She brings a wealth of knowledge and innovative thinking to JMMB, which is evident in her solid track record.

Keisha provides leadership and oversight in the development and execution of the strategy for JMMB and JMMB Securities Limited. She is charged with the responsibility for the growth and development of the company through its stock brokerage offerings, cambio services, portfolio management offerings, as well as the overall asset management business line of the company. With the support of her retail, corporate, trading and treasury teams, Keisha ensures that revenue, market share, profit targets and other key performance indicators are met

Keisha holds a Master's degree in Banking and Finance from Mona School of Business, UWI and a Bachelor's degree in Business Management from Nova South Eastern University.

PROFILES

SHARON GIBSON

CHIEF EXECUTIVE OFFICER - JMMB MONEY TRANSFER LIMITED

An experienced financier who boasts over 15 years at the managerial level in the financial industry. Before joining the JMMB team, she held several senior positions at National Commercial Bank (NCB) spanning remittance, customer service, project management, product development and operations. During her stint at NCB, she climbed the ranks while broadening her experience, serving as Product Development Manager, Customer Service Manager and Operations Manager. Sharon also served as Chair of the Audit Committee of the NCB Cooperative Credit Union.

She holds an Executive Master of Business Administration (EMBA) from the University of the West Indies, Mona in addition to other professional designations, including AICB from the Canadian Institute of Bankers. She also holds a Diploma in Management Studies from the Jamaica Institute of Management (JIM).

SHERON GILZEAN

CHIEF EXECUTIVE OFFICER - JMMB INSURANCE BROKERS LIMITED

Sheron boasts a wealth of experience with in depth knowledge of the insurance industry, having amassed more than 30 years of experience in every facet of the sector. An expert in claims and underwriting, risk management, team building and relationship management, Sheron's career spans several local insurance companies and brokers.

Prior to joining the JMMB team, she served as Managing Director at Covenant Insurance Brokers for five years. She also served as a part of the management team at British Caribbean Insurance Company, following a 13-year stint at American Home Assurance Company. In addition to being an insurance practitioner, Sheron has been a part-time lecturer at the College of Insurance & Professional Studies since 2003. Her educational attainment complements her experience; she is the holder of both an undergraduate and postgraduate degree from the UWI, Mona and a Fellow Chartered Insurance Professional with the Insurance Institute of Canada. She is currently pursuing Risk Management certification through the Insurance Institute of Canada, where she is a member.

An avid volunteer, Sheron serves as Treasurer for the Kiwanis Club of Constant Spring and is the co-founder of the Norman Gardens Reading Club, mentoring at-risk children. In September 2016, she was awarded the Kiwanis Club of Young Professional Kingston, Jamaica, President's Award for her sterling contribution and advice to the President, Board of Directors and Chairman and her commitment to the Reading Club. She is also an Executive and Chartered Member of Jamaica Society of Insurance Professional and Technicians (JSIPT), which is responsible for maintaining the high standards of the insurance profession.

HEADS OF ENTITIES

JUAN JOSE MELO PIMENTEL

CHIEF EXECUTIVE OFFICER- BANCO DE AHORRO Y CREDITO, S.A.

Juan is a financial professional and entrepreneur with over 9 years' experience in business valuation, mergers and acquisitions. He has also worked in real estate, corporate restructuring, business planning and performance measurement in various institutions.

He has a degree in Industrial Engineering from the Ponticia Universidad Catolica Madre y Maestra and an MBA in Finance from the University of Comillas, Spain. In August 2009, he joined the JMMB family as Director of Investment Banking.

NIGEL ROMANO

MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER -
JMMB BANK (T&T) LIMITED

Nigel is a Chartered Accountant with extensive international banking and accounting experience, having worked in countries such as Indonesia, Hong Kong, Singapore and the Philippines.

Prior to joining the JMMB family he served as Vice President, Operations (Acting) at the Caribbean Development Bank based in Barbados, with responsibility for the bank's Projects and Economics departments. He has also held several senior positions in banking, including CFO/Controller for Citibank's businesses in Trinidad and Tobago, Indonesia, Asia-Pacific, and the Philippines and Tax & Corporate Finance Partner at Ernst & Young in Trinidad and Tobago. At JMMB Bank, Nigel is charged with setting the overall strategic direction and delivering operational excellence, ensuring that every client experience is easy, enjoyable, empowering and in their best interests.

As a strategic thinker, he has a reputation for delivering strong results and sustainable and profitable growth. Nigel holds a BSc in Management Studies and an MSc in Accounting from the University of the West Indies and is a member of the Institute of Chartered Accountants of Trinidad and Tobago. He is also committed to life-long learning and growth and is currently pursuing his online MBA at the Jack Welch Management Institute.

PROFILES

JEROME SMALLING
CHIEF EXECUTIVE OFFICER - JMMB BANK (JAMAICA) LIMITED

Jerome joined the JMMB Group team in 2012. Boasting an esteemed 24-year career in banking, he has honed critical coaching, sales leadership and business development skills to grow assets and profitability, while driving customer value at the financial institutions at which he was based. His career has included tenures as Scotiabank Branch Manager; Vice President, Personal Banking at RBC Caribbean and Manager, Branch Sales Strategy Initiatives at the RBC Royal Bank's National Office in Toronto, Canada.

Jerome's diverse and senior experiences in banking have allowed him, alongside a dedicated team, to steer the JMMB Bank on a path of profitability following its acquisition as part of the Capital and Credit Financial Group.

He holds an MBA and a Bachelor's degree in Business & Professional Management from the H. Wayne Huizenga Business School, Nova Southeastern University, Florida, USA. Jerome is also a Fellow of The Institute of Canadian Bankers and completed executive training at the University of Pennsylvania's Wharton Business School.

CHRISTOPHER WALKER
CHIEF EXECUTIVE OFFICER - JMMB FUND MANAGERS LIMITED

Christopher joined the JMMB team in September 2012, following JMMB's acquisition of the Capital and Credit Financial Group (CCFG). A veteran financier, having served over 21 years in the financial services industry, he was appointed to his current position at the helm of JMMB Fund Managers Ltd. in April 2013. His tenure at CCFG ranged in responsibility from being the Business Development Manager of the Merchant Bank, to Manager of the Pension Fund Unit, Snr. Manager - Client Services and Pensions, AVP - Wealth Management and ultimately the Senior Vice President and General Manager of Capital and Credit Securities Ltd (CCSL) and Capital and Credit Fund Managers (CCFM).

His post as CEO, JMMB Fund Managers Limited, sees him continuing to offer expert leadership in guiding the strategic positioning of the Company's off-book client portfolio, with particular focus on collective investment schemes (CIS) and pension funds. In this capacity he also acts as Chairman of the Group Client Portfolio Investment Committee.

Complementing his vast experiences is a BSc in Management and Economics from the University of the West Indies, Canadian Investment Manager Designation from the Canadian Securities Institute and a Master in Business Administration (MBA) from the University of Liverpool.

We believe in OUR VISION OF love

JMMB seeks to create an organisational environment in which team players can achieve their full potential. Accordingly, the teams at JMMB are committed to a long-term ongoing process of holistic development that recognises the complete development of the individual. JMMB is therefore, a medium through which individuals may have dreams for themselves; and can extend those dreams beyond the organisation into an infinite, prosperous and abundant society and universe. Each person is loving and respectful of each other, and represents an important link in a chain of LOVE, serving each other, sharing ideas, building each other. Hence the JMMB vision is shared by all team players.

The JMMB team is clear that the organisation is based on UNCONDITIONAL LOVE and MUTUAL RESPECT. This LOVE is expressed in ongoing day to day working relationships and performance. Unconditional love is expressed in every interaction and is the foundation upon which the organisation rests. Love motivates the JMMB team to serve our clients who are a very special part of our family. The driving force of the organisation is to provide opportunities for team players to expand their potential, to recognise the power within and their ability to fully express and manifest this power to the benefit of the individual, the organisation and the society. In the process, all individual and organisational goals are achieved.

This is the central ethos / philosophy of JMMB and becomes increasingly challenging as the organisation increases in size. This innovative approach to life represents a new way of looking at the world, where equality and equity are dominant. Hence, this represents a paradigm shift.

JMMB is therefore, actively and publicly involved in charitable and voluntary activities within the society and recognises and accepts its social responsibility, understanding that it has everything to do with JMMB which is part of the link in the wider chain. With this perspective, the JMMB team recognises diversity, while celebrating differences among team members, realising that there are commonalities that bind members together. When this “One-Ness” is accepted, nurtured and developed, this enhances the ongoing implementation of the shared vision.

The intention is to ensure that wherever conflict exists, we aspire to a positive outcome.

JMMB is committed to life in all its abundance. Accordingly, team players recognise the links between the organisation and the wider society and the inter-relatedness of all life. In keeping with this, JMMB is committed to being actively concerned with the conservation, preservation and sustenance of the natural environment in order to ensure sustainable development.

The atmosphere that JMMB is in the process of developing, may be defined as an energy field where overlapping circles of creativity, passion, excitement, fun and laughter coexist in a dynamic process that ultimately leads to higher and higher levels of self-actualization; hence, the achievement of the organisational mission. This is a loving, caring and honest atmosphere where ideas are valued and shared openly; where a balance is created between aspirations and practical aspects of work and life, between actualization and potential. There are no fears, no limitations, no boundaries. Team members are therefore expected and encouraged to be genuine, taking responsibility to express anything they feel, knowing that it is safe to do so. To ensure this, JMMB is committed to providing an open forum for ideas to be discussed, tested and implemented in order to help each other grow.

Team members, therefore, envision JMMB as the premier financial institution of its kind: successful, professionally managed with excellent team members giving exceptional client care and striving to achieve excellence in all areas of life. Team members see JMMB continuing to expand beyond Jamaica, retaining its spiritual characteristics and therefore, developing all the disciplines required for its continued success.

DECLARATION

I believe so strongly in myself that I will not get defensive by critisim as I know that every experience is an opportunity for growth. I will nurture and build my fellow team players I will use every opportunity to praise and give thanks. I embrace the uncertainty that forms part of my vision. I have a strong enough faith to know that everything that happens along my path happens for a reason, and that all things work together for my good.


We believe
in being the change
we want to see
in the world.

JMMB JOAN DUNCAN FOUNDATION

The vision of JMMB Joan Duncan Foundation is to enable Jamaicans to tap into their potential for greatness and have their greatness impact their own lives, and enhance the lives of their communities. This transformation will ultimately lead to a more prosperous and abundant society.

The JMMB Joan Duncan Foundation has a mission to develop, support and steward transformational initiatives in education and entrepreneurship to create and inspire positive change. As responsible corporate citizens, team members are involved in outreach initiatives geared towards the empowerment of people and their communities facilitated by the network of branches. This commitment is grounded in the JMMB values of love, openness, honesty, integrity and care.

As an organisation with a strong sense of its corporate social responsibility, JMMB Joan Duncan Foundation's commitment to nation building and people empowerment is strongly demonstrated in initiatives focused on youth entrepreneurship, education, transformational leadership, capacity building and community development.

NATIONAL PROJECTS

"Conversations for Greatness" (CFG)

The Foundation's flagship project continues to tap into the greatness of school administrators, teachers and staff. "Conversations for Greatness", a transformation project in collaboration with the Ministry of Education (MOE), is making a tangible and positive impact nationally by inspiring educators, administrators and other support staff to become passionate about being transformational teachers. Thus far, this initiative has been rolled out in over 60 schools islandwide, and has bolstered its capacity as it targets completion of all 150 schools by December 2018. As evidence of the success of the project, there has been a reduction in absenteeism, improvement in academic performance and greater synergies among the teachers and administrators, at schools which have completed the programme.

We are very grateful to our funding partners and volunteers who continue to support the programme.

MultiCare Youth Foundation (MYF)/ Y.U.T.E. - Youth Upliftment Through Employment programme

The JMMB Joan Duncan Foundation once again renewed its annual commitment as an anchor donor to The MultiCare Youth Foundation (MYF) and this year was the major supporter of the Foundation's Mentorship Programme. The programme trained, matched and supported a total of 111 mentors and 54 mentees between April 2017 and March 2018. This included training and support for volunteer mentors and participants in MYF's Youth Upliftment Through Employment (YUTE) programme, the Starbucks YUTE Work project as well as the academic staff at Wolmer's Boys' School. The funding has helped to support the mentor matches over the period of one year. Participants in these programmes also benefited from transformational training workshops designed to impact their lives by tapping into their potential for greatness.

CHILD RESILIENCY PROGRAMME

The goal of the Child Resiliency Programme (CRP) is to prevent high risk behaviour in adolescence, including violence and abuse, by targeting parents and pre-adolescents. Operating from three locations - YMCA, Boys Town and Falmouth All Age. The Child Resiliency Programme seeks to build on the strengths of pre-adolescents and those things that are known to protect. There are 5 arms to the programme: 1) Life skills training, 2) Academic support (primarily literacy), 3) Nutrition and sports to reinforce life skills 4) Creative expression to reinforce life skills and 5) positive parenting and family support.

EDUCATION

UWI Endowment

The Joan Duncan/JMMB Endowment was established to provide scholarships and bursaries, student development and training programmes at the University of the West Indies (UWI) and to support Mona School of Business Management (MSBM) academic staff development.

SCHOLARSHIPS

To ensure that future generations are equipped to fully contribute to a prosperous society, academic scholarships and bursaries were provided to several individuals ranging from primary to university levels, as well as summer camps. Over 100 students received educational support from the Foundation for the academic year 2017-18.

JOAN DUNCAN SCHOOL OF ENTREPRENEURSHIP, ETHICS & LEADERSHIP

The annual Joan Duncan Memorial Lecture, designed to honour the life and legacy of JMMB's late co-founder, was staged at the University of Technology (UTech), Jamaica on May 17, under the theme, "Mining Gold! How Do We Monetise Brand Jamaica's Sporting Success?". Don Lockerbie, Managing Director, Sports and Events, The Parker Company, Miami, Florida, and former Chief Operating Officer and Venue Development Director of the ICC Cricket World Cup 2007 in the West Indies, delivered the main address on the occasion.

Kim Mair (left, back row), CEO of the JMMB Joan Duncan Foundation and Patricia Sutherland (centre, back row), Chairman of the Foundation strike a pose with this year's tertiary scholars: (L-R, front row) Stanecia Wynter, Sheryl Reid, Samoya Cochrane, Oshina Lindsay, Shanique Benjamin, Tashoy Adrian, Joenel Bent, (L-R, back row) Taquame Hutchinson, Lisa Morrison, Shelly-Ann Thompson, Adriana Duggan, Chardonnay Lewin, Sayeed Bernard and Shanice Morrison. The occasion was the Foundation's scholarship presentation ceremony which was held at the Jamaica Pegasus. J$7 million was awarded this year in scholarship to students at the primary, secondary and tertiary levels.

Sharing in a photo op at the recent 4th annual Joan Duncan Memorial lecture are: (L-R) Professor Stephen Vascianne, President of University of Technology, Jamaica, Olympian and former world record holder, Asafa Powell and Patricia Sutherland, Chairman, JMMB Joan Duncan Foundation. This year's lecture explored the topic, "Mining Gold! How do we Monetise Brand Jamaica's Sporting Success?" On the occasion Powell was given special recognition for his contribution as an athlete to sport and entrepreneurship. The lecture honours the life and legacy of the late Joan Duncan, co-founder of JMMB.

READ ACROSS JAMAICA

We are pleased to have once again participated in Read Across Jamaica Day. Team members from all branch locations read to students at various schools in these locations, demonstrating to the young minds the importance of reading and literacy to overall development. In Kingston, we were joined by author Jonathan Kelly who read and signed one of his books for donation to the school or class library.

JFF COACHING SCHOOL

The JMMB Joan Duncan Foundation continued its support of the JMMB/JFF/UTech Coaching School which was established in 2009. We are pleased to have maintained our partnership with both the JFF and UTech, as we ultimately move toward the advancement of the national football programme by helping the Jamaica Football Federation (JFF) raise the standard of local coaching and the development of a uniform coaching philosophy because of the important role sports play in the development of the whole person.

Coaches across the island continue to respond positively, taking on the challenge of equipping themselves to adequately train the talented youngsters who represent Jamaica in the sport on different levels; to turn talent and inspiration into results, and ultimately to continue to inspire positive change in our society, through the very important avenue of sports.

ENTREPRENEURSHIP

This year, the JMMB Joan Duncan Foundation increased its support for major entrepreneurial competitions at the secondary and tertiary levels, in order to nurture young entrepreneurs and inspire corporate social responsibility in new business ventures. In fulfilling our promise to support a competition among tertiary institutions to develop innovative business plans, the Foundation once again sponsored the UWI Venture Challenge Competition, and this year provided funding to winners of the Katalyxt Youth Innovators competition for the development of prototypes.

Grade 4 student at Maxfield Park Primary, Jonathan Miller (second right) has the attention of fellow school mate, Micha Mercurius, Kim Mair, CEO JMMB Joan Duncan Foundation, Fornia Young, General Manager, Investments, Client Partnership, JMMB Ltd. Members of the JMMB Group team visited the Maxfield Park Primary on Read Across Jamaica Day to encourage the habit of reading among the students. The team also presented the students with Jamaican authored books on the occasion.

Pictured here are Janice Julian of Caribbean Food Delights and Vincent HoSang Family Foundation and the top three teams in the Vincent HoSang UWI Venture Competition, namely: Shaneica Lester of Team Skolastic Oasis (2nd place team), Shanalee Cawley and Kristoffer Henry of Team Eco-Structure (1st place team), Kevonne Martin of Research Aid Plus (3rd place team) and Patricia Sutherland, chair of the JMMB Joan Duncan Foundation. The occasion was the Vincent HoSang UWI Venture Competition Finals and Awards Ceremony, which took place at UWI Regional Headquarters.

COMMUNITY INVOLVEMENT

"Recognising the link between the organisation and the wider society and the inter-relatedness of all life" our branches and team members continue to be active in the communities within which they operate.

The teams devote their time, talent and financial assistance towards various activities, as they seek to empower individuals within their communities. During the course of the year, team members were involved in activities across the areas of education, sports and general outreach.

JMMB's Electronic Services Manager, Teverly Gray (left) and her son, Tavoy Gray (right) relax as they donate blood during the JMMB Group's annual blood drive held recently at the Company's head office in New Kingston.

LABOUR DAY & 5KS

In championing community development, the JMMB team supported Labour Day initiatives in Mandeville and Ocho Rios, as well as additional small projects around the island.

Accepting the challenge to embrace healthier lifestyles, JMMB team members as well as their friends and families donned their sneakers and took part in many 5Ks including Sagicor Sigma Corporate Run, Food for the Poor, Jamaica Reach to Recovery's Pink Run and UWI/CB for Education.

Kenisha Dwyer- Powell, JMMB Invetsments, manager, client partnership is hard at work beautifying Manchester Infirmary as her labour day project.

AUGUST TOWN SPORTS DEVELOPMENT

Acknowledging the importance of sports as an intervention strategy in community development, the Foundation's relationship with the August Town Sports Development Foundation continues with the support of their various football programmes designed to keep at risk youth involved in positive extra-curricular activities.

PICKNEY LOVE CHILDREN'S TREAT

Squeals of delight could be heard as the children and caregivers of Mustard Seed Communities watched Disney's "Despicable Me 3" while snacking on hot dogs and popcorn served by JMMB Team members. Over 100 children and caregivers attended Pickney Love Children's Treat, with more than 40 team members present to attend to their every need on September 30, 2017 at Palace Cineplex Theatre in Liguanea.

Patricia Sutherland, Chair, JMMB Joan Duncan Foundation shares words of encouragement and love with a child at the Mustard Seed Community.

CUMI – COMMITTEE FOR THE UPLIFTMENT OF THE MENTALLY ILL

Providing a comprehensive rehabilitation programme which includes activities which are designed to improve the lives of those who face mental challenges as well as homelessness, the Foundation continues to support this outstanding programme. Participants are empowered to live normal, productive lives within their families and society, through the imparting of the necessary knowledge and coping skills.

Team members also participated in the annual fundraising event CUMI 'Come Run' in September, for which the Foundation was a major sponsor.

OVER J$1M TO HURRICANE RECOVERY EFFORTS

Through the Salvation Army of Jamaica, the Foundation donated J$1million for the rebuilding and restoration efforts across several Caribbean countries that were left devastated following the passage of the hurricanes in the region.

TRANSFORMATIONAL TRAINING

Underpinning all activities of the JMMB Joan Duncan Foundation is the recognition of the importance of the person and their social intelligence, and how this affects all areas of their lives. Recipients of funding from the JMMB Joan Duncan Foundation are given the opportunity to participate in a one-day course engaging them to tap their talents, fuel their passion and empower their lives. Topics addressed include understanding of self, your role as a citizen of Jamaica, and recognising your greatness among others. Staff of a children's home, YUTE participants, football coaches, scholarship recipients, and community members are a few of the beneficiaries who have attended courses.

We recognise that as part of the JMMB family, it is our responsibility and our purpose to support the building of our society and we are thankful that God has enabled us to make our contribution to this important effort.

School teachers, administrators and other support staff at Allman Primary, are pictured holding hands at a Conversation for Greatness session promoting a positive mindset and acknowledging there is greatness in all of us.


We believe
accomplishment is
a sensation everyone
should feel.

JAMAICA

01

02

03

04

05

HIGHLIGHTS

HIGHLIGHTS

01. Team members and clients are having a good time at our corporate mixer - “Yaad Fusion”
02. A client proudly shows off her vision board
03. The JMMB Ocho Rios team coped the prestigious corporate award for its outstanding corporate principles and leadership qualities as well as its contribution in the area of corporate social responsibility and commerce in the parish of St. Ann
04. Donna Duncan-Scott, (second right) JMMB Group’s culture and human development executive and speaker at the “JMMB Her Wealth” seminar, shares a photo op with attendees at the event
05. All smiles for the camera at a recent Montego Bay client mixer
06. Clients are engaged solving a JMMB Her Wealth puzzle at ‘Fine Art & Finance’ mixer
07. Jamaica athletes, Ristananna Tracey and Kemar Bailey-Cole pause for our lens at the recently held Personal Portfolio Management (PPM) Centre mixer dubbed ‘Celebration of Life & Love’

DOMINICAN REPUBLIC

01


02


03


04


05

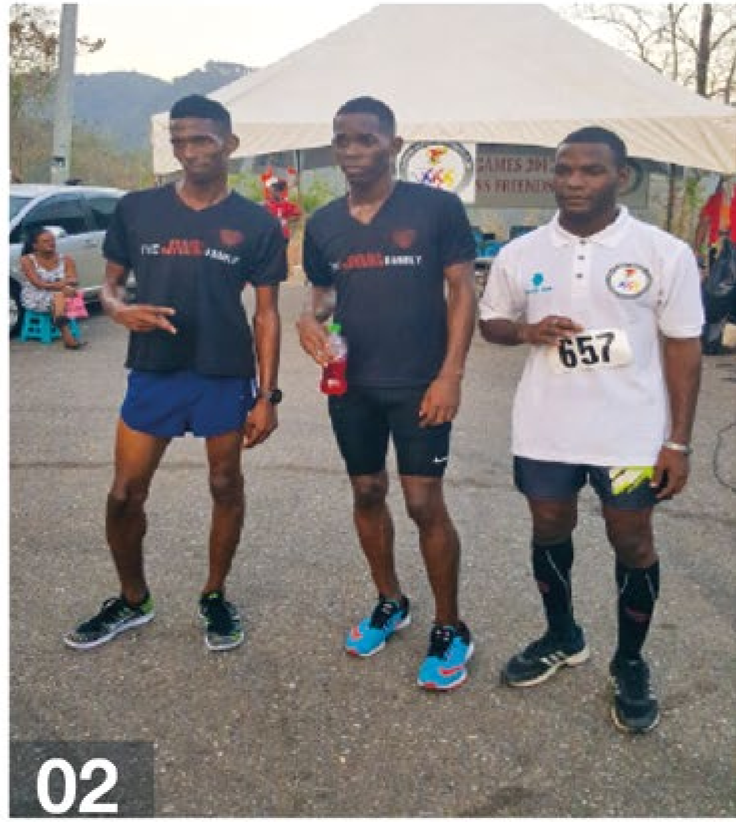
HIGHLIGHTS

HIGHLIGHTS

01. Celebrating 10 years of JMMB in the Dominican Republic
02. Choir serenades our guests during the anniversary activities
03. Taking a selfie to commemorate 10 years in the Dominican Republic
04. Solemn prayer during a church service during anniversary week activities
05. Cocktails and laughs during an anniversary week celebrations
06. Team members share a pose at a client mixer
07. A client happily shows off her gift during a client mixer

TRINIDAD & TOBAGO

01



02

03

04

HIGHLIGHTS

01. Group fun at a ‘cricket fete’ match
02. Team members representing at the Carafin Torch Run
03. The team poses for a group shot at a company cook-out, where culinary skills were at play
04. Team members celebrating Divali
05. Team members dress up to celebrate Emancipation Day
06. A child gets her face painted during our Christmas party

GROUP CULTURE AND HUMAN DEVELOPMENT

JMMB's ultimate goal is to help everyone experience love and to realise the greatness in themselves, their families and their communities.

To achieve this, we anchor our being to our values of love, care, integrity, honesty and openness.

Consistent with our commitment to bringing our values to our everyday actions, JMMB has identified key competencies that distinguish this stand.

In addition, we engage people, processes and activities to support us in living true to our values.

As a company, we celebrated 25 years of service to our team and look forward to 25 more!

LOVE

We Value Self and Others

This means that each member of the JMMB family equally values self and others, knowing we share a common humanity. We celebrate differences in each other, and highlight our commonalities and mutual purpose.

As part of supporting our value for each other, the Individual Development Plan offers team members the opportunity to engage in their own development by means of a holistic approach. Both team member and leader can assess the team member's individual needs in light of their purpose and their overall vision for their lives including their professional, emotional, physical, financial and spiritual well-being. With this self-assessment team members have the opportunity to be true to themselves and explore their personal vision in relation to their contribution to their team and JMMB.

Our Vision Board Workshops invited team members to dislplay their creativity in generating a pictorial reminder of their vision for their life using magazines, glue, scissors and cartridge paper and even a little glitter in some cases. This serves as a visual declaration reminding and inspiring them to "live their dreams".

Our Purpose Passion Workshops took the form of small group forums. These sessions encouraged team members to explore their true purpose/passion and gain a deeper insight into the unique contribution they can bring to their community, nation and the world.

Acknowledgment of team leaders' and team members' accomplishments is important to us. With our Big Ups, team leaders and team members are invited to share accomplishments and milestones so we can celebrate each other's successes as a family.

We Serve

JMMB team members demonstrate dedication to putting clients (internal and external) first and meeting their needs and expectations. We champion solutions to ensure the expectations of all clients of the Group are met and exceeded, while taking ownership of JMMB's Client Partnership Standards.

Serving our clients is important to us. Consistent group wide training in our Client Partnership Conversation continued in 2017 with our team garnering 35 new certificate holders in Jamaica, 75 in the Dominican Republic and 38 in Trinidad & Tobago. The training continues every quarter, ensuring all new team members are established in our Client Partnership Standards and in serving our clients well.

Hearing from our clients is equally important. Annual Client Satisfaction & Engagement Surveys are conducted via an external independent service provider. The feedback is given at the individual and departmental levels, allowing team members to get first hand feedback from clients about the service they receive. This informs our Client Care Rewards and Recognition Programme, which seeks to acknowledge and thank team members for their exemplary service and mastery of our Client Partnership key elements. Team members are rewarded quarterly and annually when they receive 'WOW' commendations from their fellow team members and/or external clients. Quarterly tokens range from movie tickets to a bottle of wine; while at the end of each financial year we acknowledge team members for their consistency with gift certificates to a spa of their choice or dinner for two at their favourite restaurant.

In conjunction with national Customer Service Week, JMMB takes the opportunity annually to celebrate our team members for delivering excellent service to our internal customers as well as our external customers. This year, we took the opportunity to celebrate 25 years in Jamaica and to reinforce the importance of excellent client care. This year's campaign theme was Keeping the Service Excellence Flame Alive and highlighted the ways in which we are each carrying the torch of service excellence passed on to us by Joan Duncan. We acknowledged our team members with tokens and messages from our leadership and peers.

In the Dominican Republic, we celebrated our first 10 years in the market by hosting a gratitude mass and a celebratory cocktail party with clients and JMMB family members we have been honoured to serve from the beginning.

CARE

We Build High Trust Relationships

Each individual creates a safe space to foster relationships and a spirit of inclusion. We all take responsibility for building a culture of high trust by owning our part of the relationship: gaining trust, providing respect, and supporting others.

Our quarterly team LINK UP in Jamaica is an all team meeting that is conducted from a branch hall with video conferencing connections to our offsite teams. In Trinidad and Tobago, offices host a quarterly "Town Hall" and in the Dominican Republic, LINK UP is conducted monthly. Our LINK UPs and Town Halls are a time of sharing important team information and are also a time of celebrating work anniversaries, birthdays and promotions as a team. They provide a public way to meet and greet new team members.

Culture Days are themed days, coordinated to reinforce the fun in our Mission Statement, our Vision of Love and our modus operandi L.I.F.T. - Love Integrity Fun & Togetherness. Our belief is we spend most of our waking hours in office; therefore we should enjoy working together all the time. Our Culture Days and Sports Club are created to heighten the fun.

Our JMMB Sports Club, with its tag line "Serious About Fun" is a structured, active and vibrant "institution" inside the culture and exists for the purposes of:

- creating fun activities for all team members to participate and learn;
- providing opportunities for healthy, fair and clean competitions;
- providing opportunities for team members to share talents/skills and knowledge;
- building and promoting team synergy, spirit and positive relationships, and;
- supporting and encouraging team outreach and voluntarism.

This year's sport club and cultural activities highlights included:

JAMAICA

In Jamaica, we launched JMMB Healthy Lifestyle, a quarterly programme focused on physical wellness, relationship wellbeing, financial wellness and purpose, passion and spiritual wellbeing.

Physical Wellness

Our JMMB Healthy Lifestyle Physical Wellness quarter saw the launch of a ten-week Countdown Challenge. The purpose of the challenge was to encourage healthier lifestyle behaviors; developing healthy practices that will improve physical well-being while reducing inches and pounds. Thirty-six teams, totalling 160 team members, registered and participated in the challenges which included having 1.5 liters of water daily, WOW - Water Only Wednesdays, Meals Nutrition Monitor, Jumping Jacks and Plank Tests. Additionally, the team got weekly testimonials and encouragement for making healthy choices. The winning team lost 58 pounds and over 44 inches.

Relationship Wellbeing

JMMB Healthy Lifestyle launched Togetherness Thursdays to foster strong relationships between team members. Activities included "Speed Meeting", the vivacious panel discussions - "What men want women to know"; "what women want to know from men"; "what women want men to know"; and "what men want to know from women" – and interactive games evenings.

Financial Wellness

Our focus was on growing in our own financial wellness as individuals. As part of our 25th anniversary celebrations, we included the launch of our internal anniversary theme song – We Review, We Refresh, We Recommit.

Purpose, Passion and Spiritual Wellness

Vision board sessions, a thanksgiving service, and gratitude and growth FPS opportunities marked our Purpose, Passion and Spiritual Wellness quarter.

Additionally, we had BACK TO SCHOOL where team members shared high school pictures for the wider team to guess their identities. This fun activity fostered team work and team conversations and facilitated team members in getting to know each other better. The season ended with BACK TO SCHOOL day, where team members came to work wearing the uniforms of their alma mater.

DOMINICAN REPUBLIC

Wellness Week

During wellness week, team members participated in games such as ping pong, hula hoop, dancing, mini basketball and jump rope, among others. These games encouraged the engagement of team members in physical, healthy play-based activities, while having fun and integrating with others.

21 Days of Gratitude

The month of February was devoted to the value of gratitude. A 21-day calendar was created with small, meaningful actions for team members to do every day. This helped to create the habit of being grateful and showing gratitude towards each other.

Beginning of Baseball Season:

Seeing that baseball is the most watched sport in the Dominican Republic, at JMMB we celebrated the beginning of the season by dressing with the colour of our favourite teams, and dancing to the typical chants played by a band that visited us.

TRINIDAD & TOBAGO

The JMMB Eagles, JMMB Lions and JMMB Wolves competed in a Cricket Fete match in September 2017 for the challenge trophy and bragging rights. Each house produced a team of 15 players made up of male and female team members. The energy was high and so was the fun loving spirit. This event was open to team members' families and was filled with camaraderie.

We Are Solution Oriented

We creatively look for solutions and speak directly to the accountable individual to make a difference. We generate and champion ideas to improve the processes and systems across teams.

In Jamaica we have been keen on developing our people and investing in their talent. This year JMMB was recognised by the Jamaica Institution of Financial Services (JIFS) as the corporate institution with the highest number of persons trained. This reflects our commitment to our team members and ultimately our clients.

We actively promote a solution-oriented culture (sure can do) and are active in declaring and reinforcing our differentiating ways of being:

- Make heart to heart connections
- Guide and provide solutions to clients to achieve their goals and dreams
- Follow through towards completion with our clients

Team members are sent weekly reminders on our mindset and ways of being that lead to our offering great service from the heart.

INTEGRITY

We are Accountable

Our word is our bond. We own our commitments and goals and we follow through to completion. We engage and pursue the JMMB Group's goals by aligning actions to achieve results.

We consistently stand for others, holding them accountable out of love and care for the growth and development of the individual and the wider team. For us at JMMB this involves:

1) deeply questioning our own intentions when holding another person accountable, through honest, open, and courageous self-scrutiny;
2) humbly listening to the other person and examining all elements in the situation, opening ourselves to true learning and growth through the experience and;
3) making sure all actions reflect our care for the best interest of all, choosing love and therefore actively contributing to mutual growth and development.

These principles are reinforced in how we manage our teams and in the decisions we make as a company.

In order to build these muscles in our team members, Crucial Accountability training was held across all our territories, equipping and empowering each member of the JMMB family to practice personal accountability and knowing how to hold others accountable. We have trained 252 team members in Jamaica, 148 team members in Trinidad and Tobago and the entire leadership team (23 team leaders) in the Dominican Republic.

Being True to Individual and Organisational Values

We take ownership and responsibility for maintaining, deepening and enhancing the culture and the full expression of the Vision of Love. At JMMB all our people, processes and programmes are designed to reinforce our company's values, mission and vision.

In our recruitment and selection process, we seek team members who have an expressed passion for life and have values that are congruent with JMMB values as expressed in our Vision of Love and are prepared to sign on to our JMMB Partnership Contract. We look for team members who are eager to learn and grow and to approach their contribution with a sense of purpose.

Our Family Success Model is the framework that guides our interactions as individuals and teams and declares our desired people objectives with respect of our teams, our relationships and the individual, as well as our commitment to ensuring that we have the Right Fit for the Right Role. The model supports us in being deliberate about how we choose to mirror the experience we desire for our external clients with that of our internal clients' as we fulfill our Vision of Love and deliver sustainable results.

The JMMB Way is a mandatory workshop designed as a one-day conversation where team members introspect and share their values, beliefs and ways of being under the guidance of two coaches/facilitators. This conversation seeks to deepen the understanding of the philosophy and distinctions underpinning the Vision of Love (VOL) and supports team members to live true to their values and our VOL. It gives team members an opportunity to stand for their own greatness and to follow their dreams, as an expression of who they are as unique and extraordinary human beings.

HONESTY

We Exercise Self-Awareness

We seek to understand personal motivations and fears. We actively seek to understand how personal being and actions impact our culture and our results.

At JMMB we desire that our team members and team leaders are aware of how our interactions impact each person we relate with. In supporting this self-awareness, JMMB has implemented a leadership assessment tool called The Leadership Circle. This 360 assessment is the tool we use to provide team leaders a view of who they are being from the perspective of their direct reports, their peers and their own leader. It also allows the leader to contrast the personal perspective to contrast with the perspectives of the persons that have evaluated him/her in the survey. The de-briefing coaching sessions following the assessment open up the opportunity for genuine conversations and introspection for personal growth and development.

We Relate Honestly

We are transparent with each other and our clients - giving full information. We challenge and encourage each other to challenge conclusions and recommendations. We encourage tough debates on ideas and we speak directly and sincerely even on controversial issues.

We create a culture where team members speak openly. This includes providing open forums for discussions, establishing different committees, and encouraging people to speak to the person who can make a difference in one on one interactions. Our clean-up process also facilitates addressing issues directly and not letting them fester.

OPENNESS

We seek clarity on company actions that do not appear transparent. We raise issues others are reluctant to discuss and seek resolution. We have candid respectful conversations with team members regardless of their level in the Company.

As part of our recruitment and selection, we open our process to panel interviews. This practice allows our team to view a candidate from different perspectives and starts a good integrated discussion where all views are taken into consideration for our decision.

In our company strategic retreats, we discuss the strategic path for the next financial year and gain alignment from the wider team. A part of the retreat is a break out session where team members have a further opportunity to query, comment or make suggestions re company strategic plans.

In the Dominican Republic the team hosted an open house where team members were welcome to share questions, ideas, concerns or to raise issues with the promise that CHDT would deliver a response. The issues that could be solved were, and were communicated accordingly. We followed up on other matters with the persons that could make the difference for our team. One example of this open house success is that our expectant mothers raised the issue of the lack of a proper space to support their breast-feeding goals. Today our DR office proudly sports a new lactation room for mothers and babies.

Team Member Satisfaction & Engagement

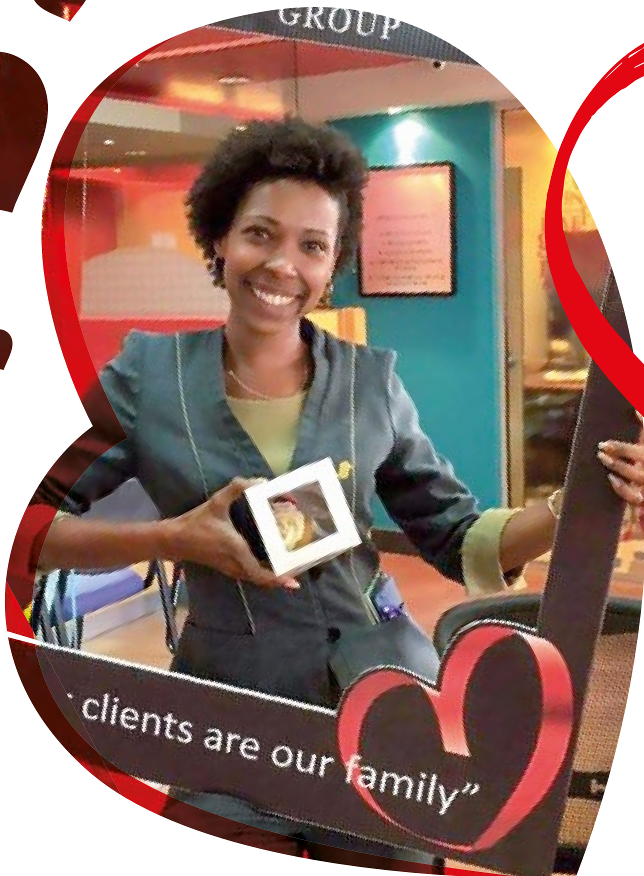
We conducted our annual survey in which team members are encouraged to take "responsibility to express anything they feel, knowing that it is safe to do so". We seek to continuously increase the levels of engagement and satisfaction of our team and use the survey results to celebrate our successes and enhance areas of opportunity.

SURVEY HIGHLIGHTS

Taking everything into account, I would say this is a great place to work.	92%
I am proud to tell others I work at JMMB.	95%
When I look at what we accomplish, I feel a sense of pride.	95%
My work has special meaning: this is not "just a job".	93%
I practice the values of the Company.	98%

What differentiates us!

GROUP CLIENT EXPERIENCE REPORT 2018



SHOWING WE CARE ABOUT OUR CLIENTS

Understanding

We continue to use our Client Satisfaction & Encouragement Surveys across the Group to understand our clients' needs stated and unstated, seizing opportunities and finding solutions.

Our Client Satisfaction & Loyalty scores continue to exceed international benchmarks for financial services.

Feedback from surveys, interviews and interactions have been used to develop group members.

Your Best Interest

We proactively look out for the best interest of our clients and their families.

Proactive financial planning conversations are had with our clients on an ongoing basis.

We celebrated Valentine's "Day of Love" in TT by offering financial planning advice in-branch to all our clients.

Heart to Heart Connections

We strive to build real heart to heart connections with our clients.

We celebrated Customer Service Week in Jamaica and Client Appreciation Day across the Group.

World Customer Experience Day was celebrated across the Group in October 2017.

Lymphoma cancer and HIV/AID awareness and testing was introduced to our clients in TT.

Encouragement

We stick with and encourage our clients through their life journeys.

We serve and partner with our clients to achieve success.

We inspire team members to stand for the greatness of all and be the difference for our clients and the organisation.

We celebrate and acknowledge when a team member demonstrates mastery of our standards for client care.

We hold each other accountable to adhere to the standards.


We believe
trust and hard work
should be rewarded.

THE JMMB GROUP LTD.

CORPORATE GOVERNANCE REPORT

FOR THE YEAR ENDED MARCH 31, 2018

The Board of Directors and its committees have dealt with a number of strategic and operational matters during the financial year. These have included enhancement of structures relating to our operational efficiencies and our risk and compliance frameworks.

As stated in previous reports, we are committed to good corporate governance and have sought to adopt sound corporate governance principles to provide a framework for effective governance for the Group. Our goal is to compete more effectively, sustain our accomplishments and build shareholder value. To this end, we have focused our attention on overseeing the Group's strategies, risk management, compliance framework, talent development and succession planning.

This report provides a summary of what the Board and its committees have accomplished over the past financial year and covers the JMMB Group Limited, its subsidiaries and affiliates. We will also summarise the corporate governance structures, principles and practices that we believe promote the effective functioning of the subsidiaries' Boards and enable the Group to satisfy governance expectations of regulators and stakeholders within the territories in which we operate.

The Corporate Governance Policy applies to all companies in the JMMB Group, its subsidiaries and affiliates . The Group Board of Directors and its Board committees have oversight responsibility for the subsidiaries' Boards and their Board committees. The Board of Directors proactively adopts governance policies and practices designed to align the interests of the Board and management with those of shareholders and other stakeholders, and to promote the highest standards of ethical behaviour and risk management at every level within the organisation. The Group's corporate governance framework is subject to ongoing review, assessment and improvement.

The Group Corporate Governance Policy can be found on our website www.jmmb.com. The policy recognises differences in the regulatory requirements of the jurisdictions within which we operate.

DEFINITIONS:

"Company"	The person(s) who is(are) a member(s) of the Board
"Director" or "Directors"	The person(s) who is(are) a member(s) of the Board
"Executive Director"	a director who is a member of the management team of JMMB Group Limited or its subsidiaries and affiliates.
"Independent Director"	director who is not: • an employee of a company within the Group within the last five years; • a person holding five per centum or more of the shares of the Company or a connected person; and • a party to a significant economic or other relationship with the company within the last five years.

“Non - Executive Director”	is a director who is not part of the current management in the Group
“JMMBGL”	JMMB Group Limited
“JMMB Group” or “the Group”	The group of companies comprised of JMMBGL , its subsidiaries and affiliates. A list of the companies can be found at Note 1 of the Audited Financials.
“JSE”	The Jamaica Stock Exchange
“BSE”	Barbados Stock Exchange
“Subsidiary”	a company over which JMMB Group has control
“TTSE”	Trinidad and Tobago Stock Exchange

GOVERNANCE PRINCIPLES:

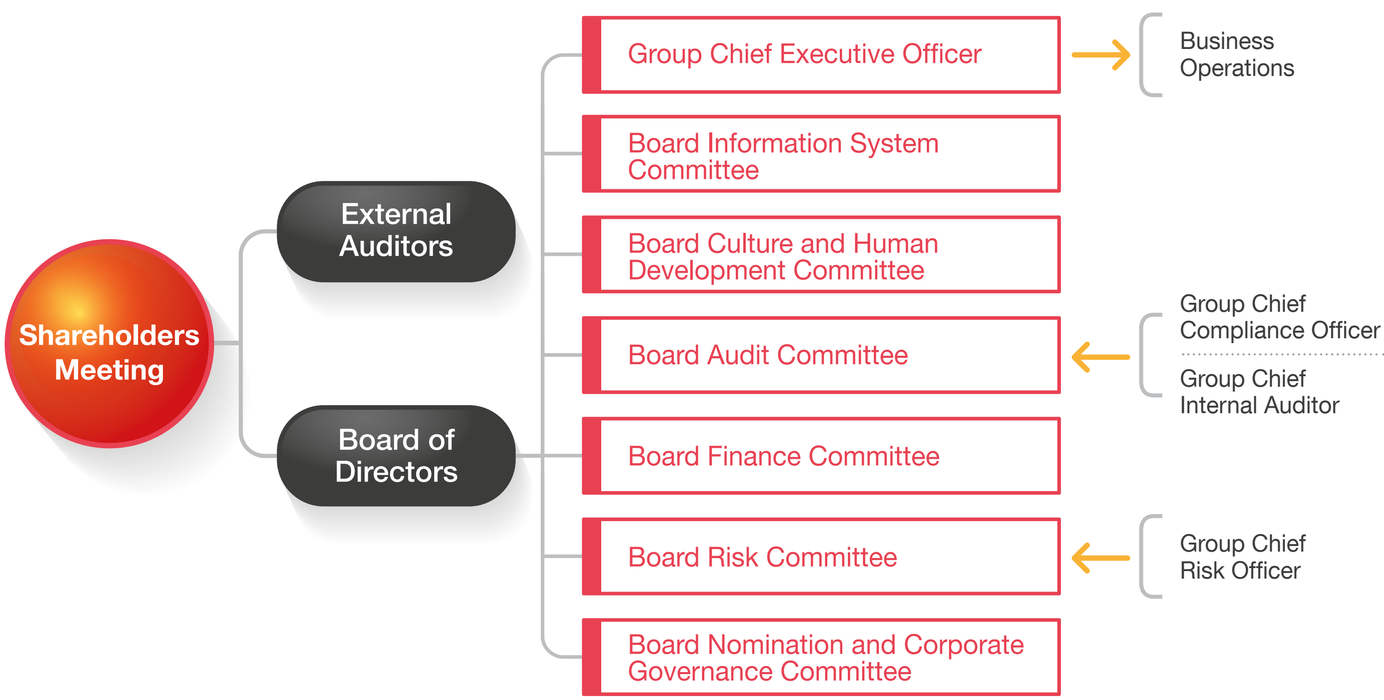
THE GROUP’S APPROACH TO CORPORATE GOVERNANCE IS GUIDED BY THE FOLLOWING CORE PRINCIPLES/VALUES.

Principles	Description
Ethical Culture	Trust, integrity, honesty, openness, love, care and good governance are hallmarks of the Board’s governance approach. In setting the tone at the top, the Board nurtures the strong corporate values that are well entrenched in the culture of the Group and reinforces the ethical principles on which our reputation and success are founded.
Oversight of Strategy	The directors are the key advisors to management overseeing strategic direction and the formulation of plans, taking into account both the opportunities and risks of the Group’s businesses.
Accountability	In carrying out its oversight responsibilities, the Board actively engages in setting long-term strategic goals for the Group, reviews and approves business strategies, financial objectives and capital plans that are consistent with the strategies objectives and monitors the Groups’ performance in executing strategies and meeting objectives.
Oversight of Risk	The Board has carefully defined its own expectations, scope and responsibilities as well as those of its committees and management.
Stewardship	A key priority of the Board is embedding a strong risk management culture throughout the Group and overseeing the frameworks, policies and processes adopted to identify the principal risks to the businesses and systems implemented to manage those risks.

For the Financial Year 2017/18, the Board deliberated on several matters including but not limited to the following;

- Group and subsidiaries strategies and strategic direction
- Financial performance review
- Review of capital structure and dividend
- Review and approval of policies
- Operational performance
- Governance and compliance matters
- External financial reporting
- Changes in regulatory environment and impact on the Group and subsidiaries
- Changes in information technology
- Risk management
- Corporate culture
- Human resources
- Corporate social responsibility

CORPORATE GOVERNANCE STRUCTURE



INDUCTION AND TRAINING

Incoming Board members are provided with information on their roles and responsibilities, policies and information on the Group. They are also required to attend the Company's orientation. All Board members are expected to attend training programmes covering keys topics such as Anti Money Laundering and Know your Clients & Employees, regulations, Corporate Governance , Ethics and Risk Management.

BOARD INFORMATION

The Chairman and the Group CEO ensure procedures are in place to give the Board timely access to information it needs to carry out its duties. To ensure timely access to information, directors;

- receive a comprehensive package of information at least five days prior to each board and committee meeting
- have access to board committees meeting minutes
- participate in annual and bi-annual strategic sessions
- have full access to senior management and team members
- receive educational material on matters that affect our business
- identify their continuing education needs through discussions at board or committee meetings
- Receive timely updates on matters that may affect the business performance and reputation

BOARD EXPERTISE

The Directors of the Board are selected on the criteria of proven skill and ability in their particular field of proficiency, and a diversity of outlook and experience which directly benefits the operation of the Board as the custodian of the business. During the financial year Miss Patria-Kaye Aarons was added to the Board.

A full biography of each Board member is provided in the report.

Expertise / Qualification/ Experience	Archibald Campbell	Patria-Kaye Aarons	Andrew Cocking	Dr Anne Crick	Patricia Dailey-Smith	Audrey Deer-Williams	Dennis Harris	Reece Kong	H Wayne Powell	Wayne Sutherland	Audrey Welds	V Andrew Whyte	Donna Duncan-Scott	Keith Duncan	Hugh Duncan
Academia - experience is important as it brings perspective regarding organisational management and academic research relevant to our business and strategy.	✓	✓		✓							✓				
Administration experience is important since directors with this experience typically possess strong leadership qualities and the ability to identify and develop those qualities in others.	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Business ethics experience is important given the critical role that ethics plays in the success of our businesses.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Business operations experience gives directors a practical understanding of developing, implementing and assessing our operating plan and business strategy.	✓	✓			✓		✓		✓	✓	✓		✓	✓	
Corporate governance experience supports our goals of strong Board and management accountability, transparency and protection of shareholder interests.				✓			✓			✓		✓	✓	✓	✓

Expertise / Qualification/ Experience	Archibald Campbell	Patria-Kaye Aarons	Andrew Cocking	Dr Anne Crick	Patricia Dailey-Smith	Audrey Deer-Williams	Dennis Harris	Reece Kong	H Wayne Powell	Wayne Sutherland	Audrey Welds	V Andrew Whyte	Donna Duncan-Scott	Keith Duncan	Hugh Duncan
Communications and marketing experience is relevant to the group as it seeks to develop new markets, products and services.		✓		✓									✓		
Finance/Capital allocation experience is important in evaluating our financial statements and capital structure.	✓				✓		✓	✓						✓	✓
Financial services industry experience is important in understanding and reviewing our businesses and strategy.		✓													✓
Investments experience is important in evaluating our investment strategy and the environments in which we operate.	✓		✓			✓	✓					✓	✓	✓	✓
Information technology experience is relevant to the Group as it looks at ways to improve efficiencies, enhance client experience and internal operations.								✓	✓	✓					
Knowledge of control environment Audit and risk management experience is critical to the Board's role in overseeing the risks faced by the Group.	✓				✓	✓	✓			✓		✓		✓	
Legal experience and knowledge is critical to the Group as we navigate the highly regulated environments in which we operate.											✓				
Risk management experience is critical to the Board's role in overseeing the risks faced by the Company and the Group.	✓					✓	✓					✓		✓	
Talent management experience is valuable in helping us attract, motivate, develop and retain top candidates for positions in the Group.		✓		✓		✓	✓						✓		

The roles of the Chairman and Group Chief Executive Officer are separate and have been so since JMMB commenced operations 25 years ago. The Chairman, Mr Archibald Campbell, is responsible for leadership of the Board, ensuring its effectiveness on all aspects of its role and in the setting of its agenda. The Chairman is responsible for creating an environment for open, robust and effective debate. This includes ensuring, via the Company Secretary, that the Directors receive accurate, timely and clear information. The Group Chief Executive Officer ('Group CEO'), Mr Keith Duncan, is responsible and accountable to the Board for the management and operation of the Company and its subsidiaries, advancing long-term shareholder value, supported by the management team. He is also involved in the management of the social and environmental responsibilities of the Company.

BOARD DELEGATION

The Board has delegated specific responsibilities to Board committees, notably the Audit, Risk, Nominations and Corporate Governance, Information Systems, Finance and Culture and Human Development. The Board and each of its committees have written approved terms of reference , limits of authority and their respective roles and responsibilities.

Below is a table of the committees and their membership.

Each committee's terms of reference is included in the Group's Corporate Governance Policy which can be found on the website www.jmmb.com.

COMMITTEE MEMBERSHIP, APRIL 2017 - MARCH 2018

Names	Position	Audit	Risk Committee	Culture & Human Development Committee	Nomination & Corporate Governance	Information Systems Committee	Finance Committee
Andrew Cocking	Independent						✓
Anne Crick PhD	Independent			✓	Chairman		
Archibald Campbell	Independent				✓		
Audrey Deer-Williams	Independent		✓	Chairman			
Audrey Welds	Independent				✓		
Dennis Harris	Independent	✓	Chairman	✓	✓		✓
Donna Duncan-Scott	Executive			✓	✓		
H Wayne Powell	Independent			✓			
Hugh Duncan	Executive						
Keith Duncan	Executive		✓		✓		
Maurice Barnes (JMMBMT)	Independent*					✓	
Patria-Kaye Aarons*	Independent						
Patricia Dailey-Smith	Independent	✓					Chairman
Reece Kong	Independent		✓			Chairman	
V Andrew Whyte	Independent	Chairman	✓				✓
Wayne Sutherland	Non-Executive	✓			✓	✓	

* appointed September 2017

REPORT OF THE AUDIT COMMITTEE OF THE BOARD

As an integral part of the Group's corporate governance structure, the Group internal audit department and its activities are guided by its Charter as approved by the Group's Audit Committee, to whom it reports independently on the effectiveness of the Group's risk management, governance and internal control processes. The scope of internal auditing within the Group included areas such as corporate governance, risk management and management controls over efficiency/ effectiveness of operations (including safeguarding of assets), the reliability of financial and management reporting and compliance with laws and regulations.

The Group's internal audit's assessment of internal controls is based on the standards set by the control criteria framework of the Committee of Sponsoring Organisations of the Treadway Commission (COSO Internal Control Framework). This model evaluates the internal control measures adopted by management, with all audits being conducted in accordance with the International Standards for the Professional Practice of Internal Auditing.

The Group Audit Committee oversees the Internal Audit function, reviewing Internal Audit's assessment of the adequacy and effectiveness of the Group's internal controls, compliance with legal, statutory, regulatory and other requirements, and management of risk. The Committee, during the course of its activities, also received reports from various members of management on regulatory, risk and fraud-related matters. The Group Audit Committee Chairman also reports to the Board on all significant issues considered by the Committee.

During the financial year under review the Committee achieved the following:

- Reviewed and approved:

• the Group's audit plan and strategy; ensuring the annual internal audit plan is designed to assist in attaining the Group's strategic objectives.

• compliance with internal policies, procedures and standards, relevant external rules and regulations, as well as assessed the adequacy and effectiveness of the Group's internal control system.

- Reviewed reports on certain key business processes and assessed recommendations to improve their effectiveness and efficiency:

- Reviewed the adequacy and effectiveness of management's processes for risk management, internal control and governance.

There were no significant finding and all matters are or have been addressed.

The committee met five (5) times during the year.

REPORT OF THE RISK COMMITTEE OF THE BOARD

The Group has an enterprise wide risk management framework in place to identify, assess, manage and report risks and risk adjusted returns on a consistent and reliable basis.

The role of the Board Risk Committee is to ensure that a comprehensive risk management framework is enacted by management and to promote an appropriate risk management culture, on behalf of the Board. The Risk Committee's oversight responsibilities with regard to the risk management framework and the underlying compliance monitoring and governance structure includes overseeing risk exposures and strategies in relation to the following:

1. Capital Allocation
2. Credit
3. Market (inclusive of interest rate, liquidity, counterparty, concentration, foreign currency exposure and equity risks)
4. Operational
5. Compliance
6. Legal
7. Reputational

The Risk Committee approves the Group's risk policies and its risk appetite statement, including risk limits, which is then presented to the Group Board of Directors for ratification.

The risk framework is designed to achieve business outcomes consistent with the Group's risk-return expectations and includes:

• The Group Risk Appetite Statement and Internal Capital Adequacy Assessment frameworks
• Group-wide risk management policies for each of the principal risk areas; and

- Major risk limits to manage exposures and risk concentrations
- Appropriate monitoring and reporting of business risks

During the year, the Risk Committee monitored management's compliance with the Group's risk management framework including high-level policies and limits. It also reviewed and made recommendations to the Board of Directors on key policies for ratification relating to capital (that underpin the Internal Capital Adequacy Assessment Process), liquidity, credit and other material risks. These are overseen and reviewed by the Board mostly on an annual basis. Significant transactions that could impact the overall financial strength or reputation of the Group and subsidiaries were also brought to the committee for consideration and approval. The committee also discussed preparations to address the anticipated changes in the regulatory framework and industry conditions over the next few years.

The Risk Committee met a total of eleven (11) times to review polices, deliberate on capital market transactions and oversee the general risk framework.

REPORT OF THE INFORMATION SYSTEMS COMMITTEE OF THE BOARD

The Information Systems Board Committee assists the Board in its oversight of technology strategy, investments made in support of the strategy and technology risk. The committee has specific responsibility for establishing structures, mechanisms and processes that ensure that information technology (IT) is controlled and delivers value to the business. The responsibilities of the committee include:

- Guiding the Group as to the future of technological developments;
- Linking IT strategy and goals to the business strategy and goals;
- Leading the development of a process framework, based on generally accepted practices that align, control and measure IT activities;
- Ensuring that there is consistent and relevant communication between IT and the business on strategic and operational activities, issues and opportunities;
- Directing the development and implementation of a performance measurement mechanism to monitor IT related strategic and operational activities across the Group; and
- Leading the development of a robust IT risk management framework with clearly defined and articulated responsibilities across the Group.

During the year the committee focused on the following areas:

- Align IT strategy to ensure the capacity to operationalise the overall Group strategy
- Review and align planned Infrastructure upgrades needed to enhance regional integration
- Align Group capacity to handle standardisation initiatives
- Align Group IT to an effective Service Model and Service Level Agreements needed to drive regional IT efficiencies
- Review change in development standards to entree more disciplined development methodologies
- Review evolution of core banking system for group deployment and commercial banking transition

There were seven (7) meetings for the year.

REPORT OF THE FINANCE COMMITTEE OF THE BOARD

The Finance Committee has responsibility for oversight of the Group's financial reporting, ensuring that fair, balanced and understandable reports are produced that comply with International Accounting Standards. The committee maintained oversight of the review process and submitted certification to the Board to enable it to be in a position to approve the financial statements.

The Group has robust controls, procedures and systems that are designed to ensure that information is disclosed in a timely manner to the regulators and the market.

Auditor independence

During the year ended March 31, 2018, the committee reviewed the external auditor's independence, scope of non-audit services and independence safeguards with KPMG Chartered Accountants, the Group's external auditor.

As part of the review, the committee received and reviewed confirmation in writing that, in KPMG's professional judgement, the independence and objectivity of the audit engagement partner and audit staff was not impaired.

The committee was satisfied throughout the year that the objectivity and independence of KPMG was not in any way impaired.

The committee met to review audited as well as unaudited financials, review of IFRS 9 requirements and the review of financial policies.

For the year, nine (9) meetings of the Finance Committee were held.

REPORT OF THE CULTURE AND HUMAN DEVELOPMENT COMMITTEE OF THE BOARD

The purpose of the JMMB Group Culture and Human Development Committee is to assist the Board of Directors in discharging its duties with regards to people, ensuring that the activities are consistent with the policies and directives of the boards of JMMB Group. The committee formulates and reviews the compensation programmes for Board members and senior officers. In doing so, it ensures that compensation is consistent with the objectives, strategy and control environment across the Group to guarantee truth, fairness and compliance with the legal requirements of the countries in which the Group operates and in line with its mission and values.

During the year, the committee focused on harmonising the Group's people polices, training and development of team members, leadership training, succession planning and implementation of our Human Resources Management Information Systems.

The Culture and Human Development Committee met five (5) times during the year.

REPORT OF THE NOMINATIONS AND CORPORATE GOVERNANCE COMMITTEE OF THE BOARD

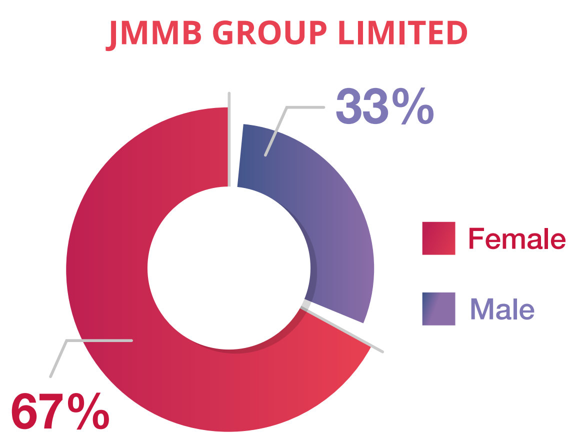
The Board recognises the importance of diversity in promoting strong corporate governance, competitive advantage and effective decision making. The Nominations and Corporate Governance Committee is responsible for periodically determining the appropriate skills, perspectives, experiences and characteristics required of Board candidates, considering the Group's needs and Board composition.

This determination will include culture fit, knowledge, experience and skills in areas that are critical to the Group, richness of views brought by different personal attributes such as gender, age, and personal characteristics such as integrity and, judgment. Ms Patria-Kaye Aarons was appointed to the Group Board. We welcome her to the JMMB family.

In assessing candidates and selecting nominees for the boards, diversity is an important factor that is taken into consideration by the committee. As such, the committee has in place a diversity objective that at least 30% of the Board members should be women. While we have surpassed this target for JMMB Group Limited , we have not met the target from a territory perspective (see chart below). We are committed to working to improve the ratio for the Group as a whole in due course.

The Group Corporate Governance Policy was reviewed, ensuring its relevance and applicability to the Group of companies.

The Nominations and Corporate Governance Committee met two (2) times during the financial year.



Attendance to Meetings, April 2017 - March 2018

Names	Position	Group Board	Audit	Risk Committee	Culture & Human Development Committee	Nomination & Corporate Governance	Information Systems Committee	Finance Committee
Number of Meetings held for the year		10	5	11	5	2	7	9
Andrew Cocking	Independent	9						9
Anne Crick PhD	Independent	8			5	2		
Archibald Campbell	Independent	10				2		
Audrey Deer-Williams	Independent	8		10	5			
Audrey Welds	Independent	8				1		
Dennis Harris	Independent	9	5	11	3	1		9
Donna Duncan-Scott	Executive	5						
H. Wayne Powell	Independent	8			4			
Hugh Duncan	Executive	8						
Keith Duncan	Executive	7						
Maurice Barnes (JMMBMT)	Independent						7	
Patria-Kaye Aarons*	Independent	6						
Patricia Dailey-Smith	Independent	9	5					9
Reece Kong	Independent	10		11			7	
V. Andrew Whyte	Independent	8	5	11				9
Wayne Sutherland	Non-Executive	9	4			1	7	

* appointed September 2017

During the financial year, the Board of Directors of JMMB Group Limited held 10 meetings. Together, the Directors attended 81% of the combined total meetings of the Board.

BOARD EFFECTIVENESS

The Board conducts an annual performance review process, wherein each director's performance is reviewed. The review process involves an assessment of the Board and its committees' effectiveness.

The assessment for the year under review was done utilising a peer and self assessment. The results of the evaluation was discussed by the Group Nominations and Corporate Governance Committee. Thereafter discussions were held with the directors to deliberate on the results and action plan. No significant issue was identified.

All actions from the previous year's assessment have been addressed.

DIRECTORS' COMPENSATION

JMMB Group compensates its directors fairly and responsibly in alignment with the Group's strategy. For the financial year a total of J$95,166,000.00 was paid to the Directors across the Group in Jamaica, Trinidad and Tobago and the Dominican Republic, a reduction of 37% over last year. This reduction is as a result of less meetings as our main project, the commercial bank, was launched.

DIRECTORS CONTINUING PROFESSIONAL EDUCATION

The Directors attended various training sessions including:

- POCA (Proceeds of Crime Act)
- Anti-Money Laundering and Red Flags
- Sexual Harassment in the Workplace
- Corporate Accountability – Risk and Governance
- Frontiers in Digital Finance

The Board is committed to continuous learning in order to ensure its members are kept abreast of environmental changes , best practices , innovation and regulations. The JMMB Group believes in the continuous training of its team members and Directors and looks for all available opportunities to capitalise on this. The Directors are encouraged to participate in training to ensure that they are kept abreast of new innovations, best practices and laws and regulations that will have an impact on the Group as well as for their personal development.

REGULATORY COMPLIANCE

The compliance department ensures compliance with laws, regulations, guidance notes, policies and standards of good governance in the territories within which the Group operates. The Group Chief Compliance Officer provides a bi - monthly compliance report to the Board of Directors for the Company and each subsidiary. The Board is satisfied that compliance issues raised during the financial year have been properly addressed and resolved and that there are no material unresolved issues.

The Board understands the regulatory framework under which the Group operates and cooperates with regulators to ensure that the financial system is safe and sound.

The Board and Management therefore:

- Maintain open communication with the regulators;
- Comply promptly and fully with requests for information as required by law;
- Keep abreast of the findings of on-site examination processes and direct management to determine whether similar problems exist elsewhere in the Group and take corrective action; and
- Ensure that there is annual training of all team members and Directors on the Proceeds of Crime Act, Code of Ethics, Know Your Client and Employees and any new regulations.

No significant issues were identified in regulatory audits conducted during the financial year.

CODE OF ETHICS

The Company has adopted the Code of Ethics and Standards of Professional Conduct of the Association for Investment Management and Research (AIMR®) and each new team member is trained in this area during orientation. There is also a mandatory annual refresher course for all team members and Directors.

CONFLICT OF INTEREST

Declaration is required where personal or business relationships or interests of Directors and management may conflict with the those of the Group. The Director or management team member recuses themselves from that portion of the meeting when the matter is being discussed.

CORPORATE GOVERNANCE INDEX

The Jamaica Stock Exchange has introduced the Corporate Governance Index for listed Companies. The Board has reviewed and discussed the rating criteria and are working to ensure where improvements are needed, this is done.

POLITICAL CONTRIBUTION

The JMMB Group, in its commitment to the best interest of the territories in which it operates, contributes to the democratic process. In Jamaica, it has been our policy to contribute equal amounts of money to the two major political parties for their respective campaign initiatives and in keeping with our policy of disclosure we wish to advise that for the past year, we contributed One Million Dollars (JA$1m) each, to the Jamaica Labour Party (JLP) and the People's National Party (PNP).

SHAREHOLDER ENGAGEMENT AND COMMUNICATION

The Board of Directors welcomes engagement with shareholders and encourages them to express their views. The Board has an open door policy whereby any shareholder or any team member may contact the Chairman via the Corporate Secretary or by sending emails to shareholderquery@jmmb.com.

The Board is committed to maintaining and improving dialogue with shareholders in order to ensure that the objectives of both the Group and the shareholders are understood. The Board also views the Annual General Meeting as an opportunity to communicate with our shareholders. We are committed to this openness and are available to discuss any concerns with you.

The Company uses email alerts and actively promotes downloading of all reports from its website which enhances the speed and equality of shareholder communication. The Company has taken full advantage of the provisions within the Articles of Incorporation allowing the website to be used as one of the means of communication with shareholders, where they have not requested hard copy documents, as part of our commitment to 'Going Green' and preserving the earth for the future generations.

Please note that copies of the Minutes of the previous Annual General Meeting will be available at the Annual General Meeting. Should you need an electronic copy, please email the Corporate Secretary at Carolyn_dacosta@jmmb.com or the Deputy Corporate Secretary at Claudine_campbell-bryan@jmmb.com.

YOUR VIEWPOINT IS IMPORTANT

We value your support, and encourage you to share your opinions, suggestions and concerns with us. You can do so by emailing the Company Secretary at shareholderquery@jmmb.com , or writing directly to the Chairman Archibald Campbell, c/o JMMB Group Limited, 6 Haughton Terrace Kingston 10.

Anne Crick Phd
Chairman Group Nominations and Corporate Governance Committee

RISK MANAGEMENT

Given the ever-changing financial landscape that the JMMB Group operates in, we continuously monitor our operating environment. This is especially true for the territories in which we have a presence, namely Jamaica, Trinidad and Tobago and the Dominican Republic, as well as markets that can impact the outlook for these jurisdictions, in order to proactively manage our risk exposures.

Risk management is the process of identifying, assessing and controlling threats to an organisation's capital and earnings. These risks stem from a wide variety of sources, including legal liabilities, strategic management errors, accidents, natural disasters and market uncertainty associated with the effect of changes on the value of assets and liabilities due to market factors.

MAJOR RISK RELATED DEVELOPMENTS FOR FY 2017/18

There was increased regulatory risk arising from the changes to the laws governing the financial sector as it pertains to liquidity and capital management. While implementation of the Basel II framework within the Caribbean could affect the industry, the JMMB Group has taken the stance of pre-empting the process so as to minimise the impact when new regulations become mandatory.

Global

- The global financial system continues to strengthen in response to extraordinary policy support, regulatory enhancements and the cyclical upturn in growth. This occurred within the context of tightening monetary policy in the United States, increased geopolitical risks among Middle East and East Asian economic powers and increased trade tensions between the world's two largest economies - China and the United States. This resulted in increased market volatility in global equity and fixed income markets which was reflected in regional global fixed income instruments.

Jamaica

- Macroeconomic stability in Jamaica has been entrenched and is evidenced by low inflation, a build-up of reserves and decline in the current account deficit.

- However, market factors reflected slightly elevated currency and liquidity risk in the context of the GOJ executing its liability management strategy by buying back its USD global bonds maturing between 2019 and 2025. This resulted in the universe of liquid assets essentially being eliminated, which is an ongoing concern to the sector. Likewise, the US Fed Funds increasing at a gradual pace throughout the year supported an upward drift in US interest rates, which placed upward pressures on emerging market yields. This upward pressure on GOJ yields was ameliorated by continued reductions in Jamaica's sovereign risk premium.

- The Financial Services Commission (FSC) proposed guidelines for the Retail Repo Mismatch Ratio, which were implemented as an early warning indicator on March 31, 2018.

Dominican Republic

- The economy continued to reflect positive macroeconomic variable, with punctuation of elevated currency and money market interest rate risk, as the central bank aimed to maintain its commitment to conducting monetary policy with a view towards achieving its inflation target and controlling its local currency devaluation.

- Continued advancement in market infrastructure, regulatory framework and investor demand for suitable financial products continue to facilitate JMMB's growth within the Dominican Republic and provide opportunity for expansion in the financial solutions offered to clients.

- Entities in the Dominican Republic began transitioning to IFRS reporting from Dom. Rep. GAAP, which could impact the interpretation of the financial position of market participants.

- The local regulator engaged all Puestos in public consultation regarding their liquidity risk management. The new liquidity rules are aimed to be broad, ranging from corporate governance to risk factors.

Trinidad and Tobago

- Conditions continue to be challenged in Trinidad despite the increase in oil and gas prices throughout the year, resulting in increased pressure on the local currency as the interest gap between the USD and the TTD continue to narrow.
- At the Ministry of Finance mid-year budget review, the Minister of Finance indicated that the government would support a managed depreciation of the currency and contemplate support of the state petroleum firm.
- Given the large international reserves of the country, the movement in the exchange rate of currency pairs fluctuated within a very narrow range in line with inflation levels. As we continue to expand our operations in this territory, we expect market conditions to remain relatively stable as fiscal adjustments are implemented.

The JMMB Group continues to adjust its financial and investment profile and actively manage its risk exposures to position itself to take advantage of market opportunities and ensure resilience even if significant adverse market conditions should develop in global markets or in any of the jurisdictions in which we operate.

RISK GOVERNANCE FRAMEWORK: SAFEGUARDING STAKEHOLDERS' INTEREST

Our unique value proposition remains at the core of all our undertakings at the JMMB Group. Since 'we always keep our Clients' best interest at heart', the JMMB Group invariably takes proactive measures to safeguard the best interest of our stakeholders. This is within the context of a robust capital and risk management framework whereby the risk universe is accurately identified; material risk factors are then continuously measured, monitored, controlled and reported. The limit and breach escalation system provides a mechanism for risk control, with limits based on the risk appetite for each major risk approved by the Group Board of Directors, along with having been reviewed and approved by the Group Board Risk Committee. This also occurs in the context of the Internal Capital Adequacy Assessment Process (ICAAP) where strategy is assessed on an annual basis against the approved risk appetite and is a central component of the organisation's strategy for managing risk to create value.

The Board of Directors of the JMMB Group determines the overall level of acceptable risk, with active oversight provided by the Board Risk Committee that approves and monitors the supporting risk tolerances. Thus, the Board Risk Committee provides strategic direction for the Group and ensures that the risk governance framework remains strong. The risk management hierarchy that has consistently guided our activities is shown in Figure 1.

FIGURE 1. THE JMMB GROUP RISK MANAGEMENT HIERARCHY

The Board Risk Committee is directly supported by other committees within the Group. These include the Risk Management, Credit Management and Asset Liability Management Committees, which convene regularly and more closely monitor the risk exposures of the Group and its subsidiaries against the limits set by the Board Risk Committee, in keeping with the Group's stated risk appetite. Furthermore, to ensure that risk management is a part of the fabric of the Group, members of the group risk department are included on committees that address the strategic objectives of the Group.

On an annual basis, the JMMB Group institutes an ICAAP, which supports our strategies and provides a comprehensive view of the risk profile of the Group and its subsidiaries. It also provides the mechanism to adjust our business operations and strategies, given changes in the internal and external environments.

GENERAL STATEMENT OF RISK APPETITE

The risk appetite framework for the Group is formulated as the premise on which the Board of Directors provides strategic direction to the organisation and as such provides strong guidelines for policies and management decisions.

Our risk appetite statement framework is approved by the JMMB Group's Board of Directors and broadly articulates that we assume the Group Board Risk Committee will not contemplate any strategies that reasonably threaten the financial stability of the Group. JMMB's goal to become a regional integrated financial services provider that is preferred by clients will take precedence over short-term volatile strategies that threaten this goal. Capital and liquidity strategies will be employed to ensure that the maximum amount of risk that the Group and by extension each subsidiary is willing to undertake is in line with our business objectives.

To ensure consistent alignment with the risk appetite statement, these are documented and periodically updated in the respective risk policies, inclusive of an escalation process which serves as the basis for risk monitoring and control.

THE JMMB GROUP RISK POLICY OVERVIEW

The JMMB Group risk policy is the overarching document that formally outlines the risk management approach of the overall Group. The policy explores the principal risk exposures of the JMMB Group from an enterprise level and further outlines a process for the determination and management of new risk exposures. Outside of strategic and reputational risks, these risks include market risk, credit risk, liquidity risk and operational risk, as well as the issues of risk aggregation, capital adequacy and capital allocation. By effectively implementing and managing this risk framework, we ensure the long-term earnings stability of the Group by effectively managing all types of risks.

Consequently, the framework identifies the methodologies to be used to identify, quantify and manage risk utilising international best practice, as well as outlines an enterprise-wide risk management process that supports the effective identification and management of risk. The JMMB Group Risk policy is the reference for our risk governance framework and provides the basis for articulating the policies for the other subsidiaries, as well as the policies for individual risk exposures.

RISK MANAGEMENT PRINCIPLES

The JMMB Group remains committed to the following core principles of its risk management framework:

i. There is a vibrant risk management culture embedded in the organisation as well as the Board, senior management, team leaders and all team members throughout the entities in the Group, who are aware of and aligned on their roles and responsibilities in risk management.

ii. Best practice risk management techniques are employed in managing the various risks to which the Group is exposed and adequate resources are allocated to the management of risk.

iii. Risks undertaken are within our risk appetite framework and there are effective, dynamic and adaptive processes for the ongoing identification, measurement and management of material risk exposures.

iv. The enterprise is adequately capitalised to protect against the effects of major shocks to the Group as well as its subsidiaries on a standalone basis.

v. Data quality is continuously monitored to try and achieve timeliness, transparency, accuracy, completeness and relevance.

vi. The operating environment for each jurisdiction is taken into consideration and risk management techniques are tailored to adequately support each entity.

RISK MEASUREMENT, CONTROL AND REPORTING

The assessment of the material risk exposures includes both quantitative and qualitative approaches, thus ensuring an optimal balance between model outputs and the extensive experience of our management team. Given the ever-changing landscape in which the

Group operates, these models and techniques are validated periodically to ensure that they are efficient, adequately capturing the risk factors, and in alignment with applicable international best practices. Our data quality is also assessed for accuracy and sufficiency. These risk assessment processes and the management of material risk exposures are documented in our various risk policies and procedures.

The operations of the JMMB Group give rise to the following material risk exposures: i) market risk, ii) credit risk, iii) liquidity risk and iv) operational risk.

TOOLS USED TO MEASURE RISK

I. Market Risk

Market risk is commonly defined as the likelihood that there is a decline in the value of assets due to adverse movements in market factors such as interest rates, foreign exchange rates and equity prices.

In accordance with international best practices, the JMMB Group monitors both the market risk exposures within individual entities and consolidated exposures across the countries in which we operate. There is no single measure to capture market risk and therefore we use various metrics, both statistical and non-statistical, to assess risk including:

1. Value-at-Risk (VaR)
2. Stress testing
3. Non-statistical risk measures
4. Other sensitivity assessments

Value-at-Risk (VaR), which is a widely used risk metric, provides a single measure that captures the potential loss in the portfolio over a specific time period and for a given probability. Stress testing and reverse stress testing consider plausible movement in market factors – interest and foreign exchange rates and equity prices - and the impact on our current financial position. Note 28 (d) provides details of VaR levels throughout the financial year.

The JMMB Group also utilises non-statistical risk measures and other sensitivity techniques such as duration, which reflects an instrument's sensitivity to interest rate risk, while repricing gap approximates the potential change in net interest income. Likewise, periodic stress testing of our Net Open Position (NOP) to determine the currency risk exposure at a point in time based on plausible 'worst-case' adverse movement in currency pairs is conducted.

Note 28 (d) (i) provides additional details on our foreign currency exposures.

II. Credit and Counterparty Risk

Credit risk is the potential for loss due to failure of a borrower to meet their contractual obligation to repay a debt in accordance with the agreed terms. The JMMB Group is exposed to credit risk from its lending, investment and funding activities, where counterparties have contractual obligations to make payments or facilitate transactions. The Board specifies a tolerance level for credit risk, which is actively managed by the credit and market risk teams for the loan and investment portfolios.

Using internally developed quantitative and qualitative models, fundamental research augmented with the use of third-party research, where practicable, we assign ratings and determine exposure limits to counterparties arising from lending, investment and funding activities.

Given the expansion of the Group geographically and the increased diversity of clients, we continuously aim to improve and standardise our credit and counterparty risk management capabilities to better manage Group-wide exposures.

III. Liquidity Risk

Liquidity risk is the risk that a financial institution's condition and soundness will be challenged by an inability or perceived inability to efficiently meet both expected and unexpected current and future cash flow and collateral needs. Liquidity risk is consequential as it usually arises from other issues such as credit deterioration and market disruption. It is actively managed within the Group with both short-term and long-term horizons.

The ability of the JMMB Group to maintain or generate sufficient cash resources to meet its obligations as they fall due on acceptable terms is critically important, since an inability to do so can quickly undermine the viability of the Group's operations. Thus, the JMMB Group proactively approaches liquidity management to ensure that this position is never compromised.

The JMMB Group commits to:

1. Ensuring that sufficient liquidity is available to satisfy clients' requests in a timely and cost-efficient manner.

2. Maintaining adequate liquidity cushion in excess of anticipated needs. This ensures that in the event of exceptional liquidity requirements, obligations can be met until normalcy is resumed.

3. Investing liquidity reserves in a manner that emphasises principal protection and availability on demand.

4. Maintaining market confidence in the jurisdictions in which we operate.

While there is an overall Group liquidity risk policy which specifies liquidity principles and minimum liquidity requirements for the Group, as well as other guidelines and limits which provide stronger assurance that all obligations can be met despite very stressful market conditions, it is expected that all subsidiaries will prudently manage their liquidity risk.

Key liquidity metrics monitoring Liquidity Coverage Ratios (LCR), liquidity gaps, overall liquid assets to total assets and available liquid assets are regularly monitored to ensure that liquidity objectives are not compromised. Desired capital and liquidity levels are adjusted according to evaluations of market conditions and liquidity conditions.

IV. Operational Risk

Operational risk may be defined as "the risk of loss from inadequate or failed internal processes, people and systems or from external events." The JMMB Group's operational risk framework seeks to limit operational risks to acceptable levels within the Group, even as the geographical presence and complexity of operations increase. Appropriate control systems and processes, along with operational redundancies and business recovery plans act to safeguard against significant disruptions in our operations. A rigorous compliance framework and independent internal audit programme exists alongside the Group business continuity policy, to ensure that controls are maintained and all material risks are properly identified and adequately managed. These all support our aim of helping our clients achieve their financial life goals in the most customer friendly way possible.

RISK MONITORING AND CONTROL

The Risk Management Framework is delivered via a combination of policy formation, review and governance, analysis, stress testing, limit setting and monitoring in the context of the market environment and business strategy. In setting limits, the Group takes into consideration factors such as market volatility, liquidity, and overall approved risk appetite.

The decisions of senior management and the Board Risk Committee are informed by periodic reports, a clear understanding of the Group's risk profile, including its exposure, and compliance with risk limits. They reflect management's strategies and tactics, while ensuring compliance with the Board's expressed risk tolerance. In the event of a breach, the group risk department consults with senior management and the line of business senior management to determine the appropriate course of action required to return the applicable positions to compliance.

APPENDIX: RELEVANT RISK REGULATION FY 2018/19

Legislation and Regulations - Jamaica
Amendments to pool of allowable assets for retail reps (industry advisory) December 19, 2017
Data Protection Act, 2017
PROPOSED LEGISLATION
Concept paper for legislative amendments to establish group-wide supervision for non deposit taking financial institutions
Consultation paper on appropriate levels of single and group counterparty exposure
Implementation of a new prudential benchmark for retail repurchase agreement: Consultation Paper
National Identification and Registration Act, 2017
The Microcredit Act

Legislation and Regulations - Trinidad and Tobago
SEC Repo Guidelines

Legislation and Regulations - Dominican Republic
Security Market Law
Standard on Risk Management for Securities Intermediaries and Mutual Funds Management Companies
Standard on Liquidity Risk Management of Financing of Securities Intermediaries
Regulation on Monetary Programme and Monetary Policy Instruments: Legal Reserve and Open Market Operations
Rule for Reportos or Repos. Mon-e-tar-ios
Regulations on Asset Evaluation (REA), Second Resolution of the Monetary Board of September 28, 2017 (New)
Regulations on Guidelines for Comprehensive Risk Management, Third Resolution dated March 16, 2017
Second Monetary Board Resolution 14 August 2014 approves definitive version Microedits Regulation
Credit Cards Regulations (1st Resolution 7 February 2013)
Bank Sub-agent Regulation
Regulation on Operational Risk
Regulation on Inactive Accounts
Corporate Governance Regulation
Regulation on Concentration Risks
Operation of the Contingency Funds
Credit Limit to Related Parties
Prudential Norms of Patrimonial Adaptation
Sanctions Regulation
External Auditors
Management of Market Risks
Liquidity Risks
Supervision on Consolidated Base
User Protection of Financial Services
LAW No.189-11 for the Development of the Mortgage Market and the Trust in Dominican Republic dated July 16, 2011
LAW No.155-17 against the Laundering of Assets, the Financing of Terrorism and the Proliferation of Weapons of Mass Destruction, of June 1, 2017
Exchange regulation

GOING GREEN

INCREASING EFFICIENCIES, GOING GREEN AND REDUCING EXPENSES

Following the success of JMMB's completed installation of over 130 solar panels at the 6 Haughton Terrace Head Office location with a saving to date of over US$7,700 (Jan 2018), we are in the process of further building out our renewable energy plan for the Jamaican arm of the Group with the Portmore Client Care Building and 17 ½ Phoenix Avenue locations.

These projects will be done at a combined invested cost of US$56,793 and are in line with the strategic objective of the JMMB Group to reduce its carbon footprint by 'Going Green'. The solar systems will have the combined capacity of 36.1kWp and are expected to annually save the Company net J$1.7m on average, with a payback period of four years.

The Portmore location will reduce its oil dependency by 35%, while Phoenix will reduce its dependency by 20%. Phoenix will have the ability to generate a combined 48,973 kWh of electricity per year, with the use of clean renewable energy, thereby, reducing its carbon emission by over 535,052 kg per year. This project is now in its roll out stage as we commit to building out our renewable energy plan.

KEY HIGHLIGHTS:

An Additonal:

132 SOLAR PANELS TO BE INSTALLED

48,973 KWH CLEAN ELECTRICITY TO BE GENERATED PER YEAR

27% AVERAGE REDUCTION IN OIL ENERGY DEPENDENCY

$1.7M AVERAGE YEARLY ENERGY BILL SAVINGS

535,052 KG YEARLY REDUCTION IN CARBON EMISSIONS

HAUGHTON AVE.

PHOENIX AVE.

PORTMORE

INFORMATION TECHNOLOGY REPORT

Our Group Information Technology Unit continues to build out in areas of Network & Infrastructure, Information Security, Development, Management Information Systems (MIS) and the Centre of Excellence which focuses on core banking systems. For the 2017/18 year, the goal was to achieve continued operational efficiency, develop stronger security measures and employ an integrated system. The Group sought to improve its efficiency through our transaction processing, customer servicing, and product development by leveraging the latest technologies and software development.

The transition from the JMMB Merchant Bank to JMMB Bank (Jamaica) Limited took effect in August 2017. As such, our core banking system was significantly upgraded to offer new retail and corporate banking products and services including transactional access to Moneyline, our flagship online platform. With this upgrade our customers now have secure anytime access to pay utility bills, transfer funds to accounts at banks and other financial institutions locally and internationally, among other features. We also implemented technology required to participate in local clearing for cheques and electronic funds transfer, giving the bank's clients access to personal and corporate current accounts and near real time funds transfer. The infrastructure supporting our core banking system was also improved.

As we continue to focus our efforts in improving operational efficiency, we have implemented a Pension Management system. In addition, we have completed a major project to add pension funds management capabilities to our core banking platform to support our entry in the competitive pension funds market in the Dominican Republic. These enhancements were implemented in both Spanish and English to ensure ease of use, user friendliness and efficiency in our Dominican Republic operations.

For the 2017/18 Financial Year, our infrastructure focus was on greater reliability. In support of this, most of our core services were migrated to a TIER 3 data centre which provides an environment that is more robust and fault tolerant. The remaining services are slated to be migrated in the next financial year. The team also embarked on upgrading the PBX system for the Group, to bring all three (3) territories on one platform.

The JMMB Group continues to take cybersecurity very seriously and is fully committed to protecting its network and systems from security breaches. Over the past year we have sought to utilise tools that leverage artificial intelligence to assist with the protection of company assets. We have also strengthened our IT Risk Management practices to further enhance the security of the Company.

The Group continues to focus on improvements to our internal processes to increase output and reduce costs. Along this thrust, we completed:

- Automation of deposit processing with the money transfer business line
- Implementation of upgraded general ledger software in the Dominican Republic

Our Group MIS unit is finalising the build out of the Group Data Warehouse platform with data integrated and centralised from all major systems across the enterprise. Data is one of the greatest assets owned by the JMMB Group and we will be working to leverage the data warehouse model to better serve our clients and increase stakeholder value. A robust data governance model is also being developed to ensure the security, integrity and availability of the Group's data.

MARKETING REPORT

The cornerstone of managing the JMMB brand is the articulation of its unique positioning – Your Best Interest at Heart. That positioning is directly aligned with the core of who the organisation is, and is reflected in its founding core value of love, as well as its other values of openness, care, transparency and honesty. It is love that motivates all JMMB team members to serve their clients, by helping them to experience love and to realise their inherent greatness, while partnering with them to achieve their financial goals. That unique positioning has helped to drive JMMB's success as a financial institution, thereby creating value for all shareholders.

As there are some key variations in the JMMB Group's operations in the three countries in which the organisation has a presence (the Dominican Republic, Jamaica and Trinidad and Tobago), the specific marketing strategies and plans pursued in each country are largely country-specific, in order to best support their respective revenue targets and brand management needs, all while ensuring that consistency in the positioning of the brand is maintained.

The JMMB Group's 2017/2018 financial year was another successful one for JMMB's marketing function. The year was consistently marked by the execution of a number of activities that served to attain two major strategic marketing imperatives: (1) building the awareness and strengthening the equity of the JMMB brand; and (2) supporting the organisation's financial growth, both of which contribute to the objective of enhancing revenue generation.

MARKETING HIGHLIGHTS

- August 2017, saw the launch of the JMMB Group's first-ever integrated Group website at www.jmmb.com. Moving from the previous dispensation of each JMMB country operation having its own website, the new JMMB Group website saw the bringing together of JMMB's online presence under one 'umbrella', providing an enhanced user experience and consistent look and feel online. In addition to information about JMMB's products and services, the new website also provides financial education resources, including online tools, articles, a blog, market and investment research and newsletters.

- The JMMB Group also celebrated its 25th year of operations, with various activities and events occurring in all three countries. The JMMB team was happy to share in the momentous occasion with their valued clients and shareholders.

- The organisation's ongoing objective of providing financial education to empower individuals to better understand how to manage their finances, saw the hosting and sponsorship of various financial seminars and fora in all countries, as well as the publication of articles in the national press.

- With the roll-out of JMMB Bank's (commercial banking) operations in Jamaica, the marketing function executed various soft launch activities across the island, including celebratory events to herald the enhancement of JMMB's branches, to become Financial Life Goal Centres, providing integrated financial services under one roof, as the organisation strengthens its ability to partner with clients, in the achievement of their financial life goals.

- The JMMB Group in the Dominican Republic hosted various activities to celebrate 10 years of its presence in that country. Events included a special church service and cocktail party, accompanied by the unveiling of two specially commissioned painted portraits of the organisation's co-founders, Joan Duncan and Dr. Noel Lyon.

- JMMB Group Trinidad and Tobago rolled out its all-media marketing campaign, under the theme "Imagine You". In addition to promoting JMMB's suite of financial solutions across banking and investments, the campaign was also very successful at encouraging thousands of persons to start the development of their own personal financial plan, towards the achievement of their goals, with JMMB.

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED MARCH 31, 2018

The Directors are pleased to present their report for the year ended March 31, 2018, and submit the Consolidated Income Statement and the Consolidated Statement of Financial Position.

GROUP RESULTS

- Operating revenue net of interest expense was **J$15.84bn (2017: J$14.65bn)**
- The profit before income tax was **J$4.35bn (2017: J$4.16bn)**
- The profit attributable to equity holders of the parent after income tax was **J$ 3.56bn (2017: J$3.31bn)**
- Shareholders' equity was **J$29.00bn (2017: J$26.79bn)**

The Directors recommend that the interim dividends paid on December 19, 2017 and June 29, 2018 be ratified and declared as final and that no further dividend be paid in respect of the year under review.

In accordance with Article 105 of the Company's Articles of Incorporation, the Directors retiring from office by rotation are Mrs Donna Duncan-Scott, Mr Hugh Duncan, Mr Dennis Harris and Mr Reece Kong who, being eligible, offer themselves for re-election.

In accordance with Article 108 of the Articles of Incorporation, the following director, Ms Patria-Kaye Aarons, having been appointed during the year, retires and is eligible for re-election.

The auditors, KPMG Chartered Accountants, have indicated their willingness to continue in office pursuant to Section 154 of the Companies Act, 2004.

We are seeking your approval of a further issuance of four (4) billon Preference Shares. This is to ensure that we are in a state of readiness to execute should an opportunity present itself.

Based on the low trading activity and the cost to maintain the cross-listing of our stock on the Barbados Stock Exchange, we are seeking to delist JMMB Group Limited from the Barbados Stock Exchange. Additional details will be communicated to you as well as discussed at the Annual General Meeting.

The Directors wish to thank management and all team members of the Group for their performance during the year under review.

As always, we wish to express our sincere appreciation to the clients and our shareholders for their continued support and partnership.

By Order of the Board
Dated this July 1, 2018

Carolyn DaCosta
Corporate Secretary


We believe
showing love
always has
positive results.


THE
JMMB
GROUP LTD.

FINANCIAL REPORTS

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INDEPENDENT AUDITORS' REPORT

To the Members of
JMMB GROUP LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the separate financial statements of JMMB Group Limited ("the company") and the consolidated financial statements of the company and its subsidiaries ("the group"), set out on pages 163 to 243, which comprise the group's and company's statements of financial position as at 31 March 2018, the group's and company's profit or loss accounts, statements of profit or loss and other comprehensive income, changes in stockholders' equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the group and the company as at 31 March 2018, and of the group's and company's financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and the Jamaican Companies Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
JMMB GROUP LIMITED

Report on the Audit of the Financial Statements (continued)

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. *Fair value of investments*

Key Audit Matter [see notes 15 and 29(a)]	*How the matter was addressed in our audit*
The group's investments measured at fair value represent 62% (2017: 61%) of the group's total assets. 99% (2017: 99%) of these investments were categorised as Level 2 in the fair value hierarchy, as no quoted prices are available for these instruments. Valuation of these investments, although based on observable inputs, involves the exercise of judgement and the use of assumptions. Management used valuation techniques which require inputs such as market yields obtained from established yield curves. These assumptions are subject to significant judgement, and could therefore result in a material misstatement.	Our procedures in this area included the following: • Assessing and testing the design and operating effectiveness of the group's controls over the determination and computation of fair values. • Challenging the reasonableness of yields/prices by comparison to independent third party pricing sources. • Assessing the reasonableness of significant assumptions used by such third-party pricing sources. • Involving our own valuation specialists to determine/obtain yields/prices of specific securities and comparing these yield/prices to those used by management. • Assessing the adequacy of the disclosures, including the degree of estimation involved in determining fair values.

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INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
JMMB GROUP LIMITED

Report on the Audit of the Financial Statements (continued)

Key Audit Matters (continued)

2. *Impairment of investments, loans and notes receivable*

Key Audit Matter *[see notes 34(b)(iv), 12 and 15 to the financial statements]*	*How the matter was addressed in our audit*
The estimation of impairment allowances on investments, loans and notes receivable on an individual and aggregate basis requires management to make judgements to determine whether these instruments should be classified as impaired arising from repayment default or adverse economic conditions. Management also makes assumptions in determining the estimated future cash flows from the instruments, the values of collateral held, cost to sell the collateral and the time to liquidate such collateral, as relevant, to determine the impairment allowance. The combination of estimates and judgements increases the risk that management's estimate could be materially misstated.	Our procedures in this area included the following: • Testing controls over the group's impairment process, such as: (a) controls over the completeness and accuracy of the data used to determine impaired loans. (b) management review of the recoverable value calculations. • Challenging management's identification of impaired instruments by reviewing a sample of instruments and assessing whether or not they were appropriately classified, based on the criteria for determining objective evidence of impairment. • Testing a sample of impairment calculations by assessing the forecasts of expected cash flows and challenging assumptions using externally available information as well as historical trends. • Assessing whether disclosures in the financial statements are adequate in respect of the group's exposure to credit risk and measurement of impairment allowances.

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INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
JMMB GROUP LIMITED

Report on the Audit of the Financial Statements (continued)

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditors' report thereon. The annual report is expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS and the Jamaican Companies Act, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the group's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

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INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
JMMB GROUP LIMITED

Report on the Audit of the Financial Statements (continued)

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is included in the Appendix to this auditors' report. This description, which is located at pages 161 to 162, forms part of our auditors' report.

Report on additional matters as required by the Jamaican Companies Act

We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

In our opinion, proper accounting records have been maintained, so far as appears from our examination of those records, and the financial statements, which are in agreement therewith, give the information required by the Jamaican Companies Act in the manner required.

The engagement partner on the audit resulting in this independent auditors' report is Cynthia Lawrence.

KPMG

Chartered Accountants
Kingston, Jamaica

May 30, 2018

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INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
JMMB GROUP LIMITED

Appendix to the Independent Auditors' report

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
JMMB GROUP LIMITED

Appendix to the Independent Auditors' report (continued)

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

JMMB GROUP LIMITED
Consolidated Profit or Loss Account
Year ended 31 March 2018
(expressed in Jamaican dollars unless otherwise indicated)

	Notes	2018 $'000	2017 $'000
Net Interest Income and Other Revenue			
Interest income	5	15,879,081	14,712,377
Interest expense	5	(8,138,561)	(7,944,690)
Net interest income		**7,740,520**	**6,767,687**
Fee and commission income		1,185,993	918,301
Gains on securities trading, net		4,873,382	5,376,536
Fees earned from managing funds on behalf of clients		690,421	369,014
Foreign exchange margins from cambio trading		1,350,641	1,218,518
Operating revenue net of interest expense		**15,840,957**	**14,650,056**
Other income			
Dividends		23,677	31,258
Other		70,598	12,167
		15,935,232	**14,693,481**
Operating Expenses			
Staff costs	6	(6,021,797)	(5,390,462)
Other expenses	7	(5,417,151)	(5,055,760)
		(11,438,948)	(10,446,222)
Operating Profit		**4,496,284**	**4,247,259**
Impairment loss on financial assets	15	(143,981)	(8,745)
Loss on acquisition of net assets of overseas entity	26	-	(87,646)
Gain on disposal of property, plant and equipment		686	5,178
Profit before Taxation		**4,352,989**	**4,156,046**
Taxation	8	(748,585)	(805,515)
Profit for the Year		**3,604,404**	**3,350,531**
Attributable to:			
Equity holders of the parent		3,555,260	3,312,838
Non-controlling interest	27	49,144	37,693
		3,604,404	**3,350,531**
Earnings per stock unit	9	**$2.18**	**$2.03**

The notes on pages 174 to 243 are an integral part of these financial statements

JMMB GROUP LIMITED
Consolidated Statement of Profit or Loss and Other Comprehensive Income
Year ended 31 March 2018
(expressed in Jamaican dollars unless otherwise indicated)

	Notes	2018 $'000	2017 $'000
Profit for the Year		**3,604,404**	**3,350,531**
Other comprehensive income			
Items that may be reclassified to profit or loss:			
Unrealised (losses)/gains on available-for-sale securities		(242,119)	1,333,917
Related tax	20	4,487	(257,695)
Foreign exchange differences on translation of foreign subsidiaries		(456,586)	303,586
Total other comprehensive (loss)/income, net of tax		(694,218)	1,379,808
Total comprehensive income for year		**2,910,186**	**4,730,339**
Total comprehensive income attributable to:			
Equity holders of the parent		2,706,562	4,633,975
Non-controlling interest	27	203,624	96,364
		2,910,186	**4,730,339**

JMMB GROUP LIMITED
Consolidated Statement of Financial Position
31 March 2018
(expressed in Jamaican dollars unless otherwise indicated)

	Notes	2018 $'000	2017 $'000
ASSETS			
Cash and cash equivalents	11	27,837,273	20,895,153
Interest receivable		3,429,115	2,941,556
Income tax recoverable		999,611	1,252,062
Loans and notes receivable	12	55,625,743	47,133,134
Other receivables	13	2,055,252	1,545,162
Securities purchased under agreements to resell	14	1,120,001	915,006
Investment securities	15	194,905,868	171,571,803
Investment properties	17	489,616	473,132
Intangible assets	18	1,602,513	1,516,500
Property, plant and equipment	19	3,217,877	3,070,590
Deferred income tax assets	20	115,130	43,902
Customers' liability under acceptances, guarantees and letters of credit as per contra		317,731	198,110
		291,715,730	**251,556,110**

JMMB GROUP LIMITED
Consolidated Statement of Financial Position (Continued)
31 March 2018
(expressed in Jamaican dollars unless otherwise indicated)

	Notes	2018 $'000	2017 $'000
STOCKHOLDERS' EQUITY			
Share capital	21	1,864,554	1,864,554
Retained earnings reserve	22(a)	9,605,055	9,605,055
Investment revaluation reserve	22(b)	1,752,810	2,202,115
Cumulative translation reserve	22(c)	(87,147)	312,246
Retained earnings		14,776,222	11,922,100
		27,911,494	25,906,070
Non-controlling interest	27	1,092,253	888,629
		29,003,747	**26,794,699**
LIABILITIES			
Customer deposits		52,165,066	49,087,517
Due to other financial institutions		347,948	418,313
Securities sold under agreements to repurchase	23	158,167,289	156,647,595
Notes payable	24	27,561,706	4,525,306
Redeemable preference shares	21	17,843,757	8,837,821
Deferred income tax liabilities	20	451,084	1,232,702
Interest payable		1,385,823	1,158,780
Income tax payable		1,292,843	208,477
Other payables		3,178,736	2,446,790
Liabilities under acceptances, guarantees and letters of credit as per contra		317,731	198,110
		262,711,983	**224,761,411**
		291,715,730	**251,556,110**

Approved for issue by the Board of Directors on 30 May 2018 and signed on its behalf by:

Archibald Campbell — Chairman

Keith P. Duncan — Group Chief Executive Officer

JMMB GROUP LIMITED
Consolidated Statement of Changes in Stockholders' Equity
Year ended 31 March 2018
(expressed in Jamaican dollars unless otherwise indicated)

	Note	Share Capital $'000	Retained Earnings Reserve $'000	Investment Revaluation Reserve $'000	Cumulative Translation Reserve $'000	Retained Earnings $'000	Total Attributable to Equity holders of the Parent $'000	Non-Controlling Interest $'000	Total $'000
Balances at 31 March 2016		**1,864,554**	**9,605,055**	**1,152,069**	**41,155**	**9,261,483**	**21,924,316**	**792,265**	**22,716,581**
Profit for the year		-	-	-	-	3,312,838	3,312,838	37,693	3,350,531
Other comprehensive income for 2017:									
Unrealised gains on available-for-sale securities, net of tax		-	-	1,050,046	-	-	1,050,046	26,176	1,076,222
Foreign exchange differences on translation of foreign subsidiaries' balances		-	-	-	271,091	-	271,091	32,495	303,586
Total other comprehensive income		-	-	1,050,046	271,091	-	1,321,137	58,671	1,379,808
Total comprehensive income		-	-	1,050,046	271,091	3,312,838	4,633,975	96,364	4,730,339
Transactions with owners of the company:									
Dividends	10	-	-	-	-	(652,221)	(652,221)	-	(652,221)
Balances at 31 March 2017		**1,864,554**	**9,605,055**	**2,202,115**	**312,246**	**11,922,100**	**25,906,070**	**888,629**	**26,794,699**
Profit for the year		-	-	-	-	3,555,260	3,555,260	49,144	3,604,404
Other comprehensive loss for 2018:									
Unrealised losses on available-for-sale securities, net of tax		-	-	(449,305)	-	-	(449,305)	211,673	(237,632)
Foreign exchange differences on translation of foreign subsidiaries' balances		-	-	-	(399,393)	-	(399,393)	(57,193)	(456,586)
Total other comprehensive loss		-	-	(449,305)	(399,393)	-	(848,698)	154,480	(694,218)
Total comprehensive income		-	-	(449,305)	(399,393)	3,555,260	2,706,562	203,624	2,910,186
Transactions with owners of the company:									
Dividends	10	-	-	-	-	(701,138)	(701,138)	-	(701,138)
Balances at 31 March 2018		**1,864,554**	**9,605,055**	**1,752,810**	**(87,147)**	**14,776,222**	**27,911,494**	**1,092,253**	**29,003,747**

The notes on pages 174 to 243 are an integral part of these financial statements

JMMB GROUP LIMITED
Consolidated Statement of Cash Flows
31 March 2018
(expressed in Jamaican dollars unless otherwise indicated)

	Notes	2018 $'000	2017 $'000
Cash Flows from Operating Activities			
Profit for the year		3,604,404	3,350,531
Adjustments for:			
Interest income	5	(15,879,081)	(14,712,377)
Interest expense	5	8,138,561	7,944,690
Income tax charge	8	748,585	805,515
Loss on acquisition of net assets of overseas entity	26	-	87,646
Impairment loss on financial assets	15	143,981	8,745
Impairment loss on loans and notes receivable	12	286,673	271,977
Amortisation of intangible assets	18	193,038	195,015
Depreciation of property, plant and equipment	19	393,675	349,001
Gain on sale of property, plant and equipment		(686)	(5,178)
Dividend income		(23,677)	(31,258)
Unrealised gains on trading securities		(56,690)	(147,543)
Foreign currency translation gains		109,246	104,915
		(2,341,971)	(1,778,321)
Changes in operating assets and liabilities:			
Income tax recoverable, net		252,451	194,427
Loans and notes receivable		(8,779,282)	(9,619,190)
Other receivables		(510,090)	256,667
Securities purchased under agreements to resell		(204,995)	(693,500)
Customer deposits		3,077,549	6,762,421
Due to other financial institutions		(70,365)	(80,853)
Other payables		731,946	656,791
Securities sold under agreements to repurchase		1,519,694	7,385,226
		(6,325,063)	3,083,668
Interest received		15,391,522	14,448,447
Interest paid		(7,911,518)	(7,956,312)
Taxation paid		(512,578)	(295,367)
Net cash provided by operating activities (Page 169)		**642,363**	**9,280,436**

JMMB GROUP LIMITED
Consolidated Statement of Cash Flows (Continued)
Year ended 31 March 2018
(expressed in Jamaican dollars unless otherwise indicated)

	Note	2018 $'000	2017 $'000
Cash Flows from Operating Activities (Page 168)		**642,363**	**9,280,436**
Cash Flows from Investing Activities			
Investment securities, net		(24,087,626)	(12,000,038)
Dividend received		23,677	31,258
Investment properties, net		(16,484)	(15,541)
Purchase of intangible assets	18	(305,909)	(304,276)
Purchase of property, plant and equipment	19	(583,446)	(986,987)
Proceeds from disposal of property, plant and equipment		4,788	14,650
Net cash used in investing activities		**(24,965,000)**	**(13,260,934)**
Cash Flows from Financing Activities			
Proceeds from issue of redeemable preference shares	21	9,209,334	-
Notes payable		23,036,400	-
Dividends paid	10	(701,138)	(652,221)
Net cash provided by/(used in) financing activities		**31,544,596**	**(652,221)**
Effect of exchange rate changes on cash and cash equivalents		(279,839)	18,151
Net increase/(decrease) in cash and cash equivalents		6,942,120	(4,614,568)
Cash and cash equivalents at beginning of year		20,895,153	25,509,721
CASH AND CASH EQUIVALENTS AT END OF YEAR	11	**27,837,273**	**20,895,153**

JMMB GROUP LIMITED
Company Statement of Profit or Loss Account and Other Comprehensive Income
Year ended 31 March 2018
(expressed in Jamaican dollars unless otherwise indicated)

	Notes	2018 $'000	2017 $'000
Net Interest Income and Other Revenue			
Dividends	25	1,252,100	652,221
Foreign exchange gains/(losses)		66,371	(3,353)
		1,318,471	648,868
Operating Expenses	7	(116,069)	(63,125)
Operating profit		1,202,402	585,743
Interest income	5	455,554	460,008
Interest expense	5	(500,548)	(467,767)
Profit before Taxation		1,157,408	577,984
Taxation	8	(60)	(120)
Profit for the year, being total other comprehensive income		**1,157,348**	**577,864**

The notes on pages 174 to 243 are an integral part of these financial statements

JMMB GROUP LIMITED
Company Statement of Financial Position
31 March 2018
(expressed in Jamaican dollars unless otherwise indicated)

	Notes	2018 $'000	2017 $'000
ASSETS			
Cash and cash equivalents	11	1,090	642
Interest receivable		106,507	73,957
Income tax recoverable		34,060	31,293
Loans and notes receivable	12	5,821,425	5,934,345
Other receivables	13	36,333	13,960
Securities purchased under agreements to resell	14	9,484,200	343,412
Investment securities	15	19,556	919,556
Due from subsidiary	25	758,212	227,377
Interest in subsidiaries	16	10,297,644	6,800,019
Property, plant and equipment	19	313	313
		26,559,340	**14,344,874**
STOCKHOLDERS' EQUITY			
Share capital	21	1,864,554	1,864,554
Retained earnings		596,610	140,400
		2,461,164	**2,004,954**
LIABILITIES			
Redeemable preference shares	21	16,374,398	7,368,462
Interest payable		115,054	77,709
Due to subsidiary	25	7,586,011	4,890,595
Other payables		22,713	3,154
		24,098,176	**12,339,920**
		26,559,340	**14,344,874**

Approved for issue by the Board of Directors on 30 May, 2018 and signed on its behalf by:

Archibald Campbell — Chairman

Keith P. Duncan — Group Chief Executive Officer

JMMB GROUP LIMITED
Company Statement of Changes in Stockholders' Equity
Year ended 31 March 2018
(expressed in Jamaican dollars unless otherwise indicated)

	Note	Share Capital $'000	Retained Earnings $'000	Total $'000
Balances at 31 March 2016		**1,864,554**	**214,757**	**2,079,311**
Profit, being total comprehensive income for the year		-	577,864	577,864
Transaction with owners of the company:				
Dividends	10	-	(652,221)	(652,221)
Balances at 31 March 2017		**1,864,554**	**140,400**	**2,004,954**
Profit, being total comprehensive income for the year		-	1,157,348	1,157,348
Transaction with owners of the company:				
Dividends	10	-	(701,138)	(701,138)
Balances at 31 March 2018		**1,864,554**	**596,610**	**2,461,164**

JMMB GROUP LIMITED
Company Statement of Cash Flows
Year ended 31 March 2018
(expressed in Jamaican dollars unless otherwise indicated)

	Notes	2018 $'000	2017 $'000
Cash Flows from Operating Activities			
Profit for the year		1,157,348	577,864
Adjustments for:			
Interest income	5	(455,554)	(460,008)
Interest expense	5	500,548	467,767
Dividend income	25	(1,252,100)	(652,221)
		(49,758)	(66,598)
Changes in operating assets and liabilities:			
Income tax recoverable, net		(2,767)	(18,145)
Loans and notes receivable		112,920	(253,876)
Other receivables		(22,373)	(4,423)
Other payables		19,559	-
Securities purchased under agreements to resell		(9,140,788)	163,544
Due from subsidiary		(530,835)	(227,377)
Due to subsidiaries		715,727	181,007
		(8,898,315)	(225,868)
Interest received		423,004	409,957
Interest paid		(463,203)	(464,109)
Net cash used in operating activities		**(8,938,514)**	**(280,020)**
Cash Flows from Investing Activities			
Dividend received		1,252,100	652,221
Investment securities, net		900,000	-
Investment in subsidiaries		(1,517,936)	(8,000)
Net cash provided by investing activities		**634,164**	**644,221**
Cash Flows from Financing Activities			
Proceeds from the issuance of redeemable preference shares	21	9,005,936	281,039
Dividends paid	10	(701,138)	(652,221)
Net cash provided by/(used in) financing activities		**8,304,798**	**(371,182)**
Net increase/(decrease) in cash and cash equivalents		448	(6,981)
Cash and cash equivalents at beginning of year		642	7,623
CASH AND CASH EQUIVALENTS AT END OF YEAR	11	**1,090**	**642**

The notes on pages 174 to 243 are an integral part of these financial statements

JMMB GROUP LIMITED
Notes to the Financial Statements
31 March 2018
(expressed in Jamaican dollars unless otherwise indicated)

1. Identification

(a) 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.

(b) JMMB Group Limited has interest in several subsidiaries which are listed below. The company and its subsidiaries are collectively referred to as "the Group".

Name of Subsidiary	% 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		99.8	Jamaica	Fund management
JMMB International Limited		100	St. Lucia	Investment holding and management
JMMB Bank (Jamaica) Limited (formerly JMMB Merchant Bank 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	Financial 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, formerly Intercommercial Bank Limited and its subsidiary,		100	Trinidad and Tobago	Commercial banking
Intercommercial Trust and Merchant Bank Limited		100	Trinidad and Tobago	Merchant banking
JMMB Holding Company, 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

(c) During the year, Jamaica Money Market Brokers Limited transferred ownership of Jamaica Money Market Brokers (Trinidad and Tobago) Limited to the company.

2. Statement of Compliance and Basis of Preparation

(a) Statement of compliance:

The financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Details of the Group's accounting policies, including changes during the year, are included in notes 33 and 34.

(b) Basis of preparation:

The financial statements are prepared on the historical cost basis, except for the following:

- Certain financial instruments measured at fair value through profit or loss.
- Available-for-sale financial assets measured at fair value.
- Investment properties measured at fair value.

(c) Functional and presentation currency:

The financial statements are presented in Jamaica dollars, which is the functional currency of the company, and are expressed in thousands of dollars unless otherwise stated.

(d) Use of estimates and judgements:

The preparation of the financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of, and disclosures relating to, assets, liabilities, contingent assets and contingent liabilities at the reporting date and the income and expenses for the year then ended. Actual amounts could differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are described in note 3.

(e) Comparative information:

Wherever necessary, the comparative figures are reclassified to conform to the current year's presentation.

3. Critical Accounting Judgements and Key Sources of Estimation Uncertainty

Estimates that can cause a significant adjustment to the carrying amounts of assets and liabilities in the next financial year and judgements that have a significant effect on the amounts recognised in the financial statements, include the following:

(a) Key sources of estimation uncertainty

(i) Allowance for losses

In determining amounts recorded for allowance for losses in the financial statements, management makes judgements regarding indicators of impairment, that is, whether there are indicators that there may be a measurable decrease in the estimated future cash flows from investments, loans, notes receivable and other financial assets, for example, repayment default and adverse economic conditions. The specific component of the total allowances for impairment applies to financial assets evaluated individually for impairment and is based on management's best estimate of the present value of the cash flows that are expected to be received. In estimating these cash flows, management makes assumptions about a counterparty's financial situation and the net realisable value of any underlying collateral. Each impaired asset is assessed on its merits, and the workout strategy and estimate of cash flows considered recoverable are independently approved by the Credit and Market Risk functions.

(ii) Fair value of financial instruments

There are no quoted market prices for a significant portion of the Group's financial assets and liabilities. Accordingly, fair values of several financial assets are estimated using prices obtained from a yield curve. The yield curve is, in turn, obtained from a pricing source which uses indicative prices submitted to it by licensed banks and other financial institutions in Jamaica. There is significant uncertainty inherent in this approach. The fair values determined in this way are classified as Level 2 fair values. Some other fair values are estimated based on quotes published by broker/dealers, and these are also classified as Level 2. The estimates of fair value arrived at from these sources may be significantly different from the actual price of the instrument in an actual arm's length transaction (see notes 15 and 29).

(iii) Impairment of intangible assets

Impairment of intangible assets with indefinite useful lives is dependent upon management's internal assessment of future cash flows from the intangibles. That internal assessment determines the amount recoverable from future use of these assets. The estimate of the amount recoverable from future use of these assets is sensitive to the discount rates and other assumptions used (note 18).

(b) *Critical accounting judgements in applying the Group's accounting policies*

The Group's accounting policies provide scope for assets and liabilities to be designated on inception into different accounting categories in certain circumstances:

- In classifying financial assets or liabilities as "trading'', the Group has determined that they meet the description of trading assets and liabilities set out in accounting policy 34(b).
- In designating financial assets and liabilities at fair value through profit or loss, the Group has determined that they have met the criteria for this designation set out in accounting policy 34(b).

JMMB GROUP LIMITED
Notes to the Financial Statements
31 March 2018
(expressed in Jamaican dollars unless otherwise indicated)

4. Segment Reporting

A segment is a distinguishable component of the Group that is engaged either in providing related products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

The Group's activities are organised into three main business segments:

(i) Financial and related services which include securities brokering, stock brokering, portfolio planning, funds management and investment advisory services.
(ii) Banking and related services which include taking deposits, granting loans and other credit facilities and foreign currency trading.
(iii) Other represents remittance and related services, insurance brokering, investment and real estate holding.

	The Group				
	2018				
	Financial & Related Services	Banking & Related Services	Other	Eliminations	Group
	$'000	$'000	$'000	$'000	$'000
External revenues	17,139,431	6,784,443	149,919	-	24,073,793
Inter-segment revenue	1,116,401	50,496	-	(1,166,897)	-
Total segment revenue	18,255,832	6,834,939	149,919	(1,166,897)	24,073,793
Segment results	3,459,991	1,038,586	(2,293)	-	4,496,284
Impairment loss on financial asset					(143,981)
Gain on disposal of property plant and equipment					686
Profit before tax					4,352,989
Taxation					(748,585)
Profit for the year					3,604,404
Total segment assets	259,306,390	88,644,730	1,553,156	(57,788,546)	291,715,730
Total segment liabilities	231,315,422	75,735,726	1,507,620	(45,846,785)	262,711,983
Interest income	10,717,493	5,155,311	6,277	-	15,879,081
Interest expense	6,419,995	1,718,566	-	-	8,138,561
Operating expenses	7,208,949	4,077,787	152,212	-	11,438,948
Depreciation and amortisation	387,579	187,259	11,875	-	586,713
Capital expenditure	563,204	294,329	48,306	-	905,839

4. Segment Reporting (Continued)

	The Group				
	2017				
	Financial & Related Services $'000	Banking & Related Services $'000	Other $'000	Eliminations $'000	Group $'000
External revenues	16,503,446	6,002,351	132,374	-	22,638,171
Inter-segment revenue	956,775	249,246	2,226	(1,208,247)	-
Total segment revenue	17,460,221	6,251,597	134,600	(1,208,247)	22,638,171
Segment results	3,049,937	1,201,805	(4,483)	-	4,247,259
Impairment loss on financial asset					(8,745)
Loss on acquisition of net assets of overseas entity					(87,646)
Gain on disposal of property plant and equipment					5,178
Profit before tax					4,156,046
Taxation					(805,515)
Profit for the year					3,350,531
Total segment assets	226,090,958	74,362,468	1,472,884	(50,370,200)	251,556,110
Total segment liabilities	202,098,714	61,841,430	1,419,668	(40,598,401)	224,761,411
Interest income	10,493,688	4,213,051	5,638	-	14,712,377
Interest expense	6,399,342	1,545,348	-	-	7,944,690
Operating expenses	6,787,822	3,519,317	139,083	-	10,446,222
Depreciation and amortisation	366,717	164,666	12,633	-	544,016
Capital expenditure	614,279	348,676	343,849	-	1,306,804

5. Net Interest Income/(Expense)

	The Group		The Company	
	2018 $'000	2017 $'000	2018 $'000	2017 $'000
Interest income				
Cash and cash equivalents	60,828	82,494	10	-
Loans and notes receivable	4,649,552	3,790,416	368,078	367,687
Resale agreements	81,833	30,236	73,571	24,596
Investment securities	11,086,868	10,809,231	13,895	67,725
Total interest income	**15,879,081**	**14,712,377**	**455,554**	**460,008**
Interest expense				
Repurchase agreements	5,854,204	5,880,575	-	-
Notes payable	544,540	498,246	-	-
Customer deposits	1,170,479	987,797	-	-
Redeemable preference shares	569,338	578,072	500,548	467,767
Total interest expense	**8,138,561**	**7,944,690**	**500,548**	**467,767**
Net interest income/(expense)	**7,740,520**	**6,767,687**	**(44,994)**	**(7,759)**

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6. Staff Costs

	The Group	
	2018	2017
	$'000	$'000
Salaries and benefits, including profit-related pay	4,737,246	4,175,618
Statutory payroll contributions	406,630	374,062
Pension costs (Note 30)	198,856	172,107
Training and development	121,560	104,349
Other staff benefits	557,505	564,326
	6,021,797	**5,390,462**

7. Other Expenses

	The Group		The Company	
	2018	2017	2018	2017
	$'000	$'000	$'000	$'000
Marketing, corporate affairs and donations	541,797	531,947	55,293	30,394
Depreciation and amortisation	586,713	544,016	-	-
Directors' fees	95,166	152,007	35,385	16,259
Irrecoverable – GCT	279,109	291,940	-	3,517
Insurance	172,146	138,900	-	-
Auditors' remuneration	94,757	93,446	5,680	5,356
Asset tax	430,079	404,543	-	-
Information technology	577,460	515,697	-	12
Legal and professional fees	774,186	634,586	12,233	4,538
Repairs and maintenance	187,359	162,508	-	-
Travel and entertainment	117,792	101,842	1,670	131
Office rental	348,581	375,830	-	-
Loan loss	198,664	256,280	-	-
Security	178,956	159,925	2,727	544
Stationery, printing and postage	122,008	111,176	-	179
Utilities	238,772	207,103	-	-
Bank charges and interest	173,217	171,751	186	85
Other	300,389	202,263	2,895	2,110
	5,417,151	**5,055,760**	**116,069**	**63,125**

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8. Taxation

(a) Income tax for the company is computed at 25% on the profit for the year adjusted for tax purposes. Income taxes for all other subsidiaries are based on statutory income tax rates prevailing in each jurisdiction:

	The Group		The Company	
	2018 $'000	2017 $'000	2018 $'000	2017 $'000
Green fund and business levy	13,743	11,465	-	-
Current income tax	1,581,098	374,922	60	120
Prior year under/(over) provision	2,103	(338)	-	-
	1,596,944	386,049	60	120
Deferred income tax (Note 20)				
Origination and reversal of temporary differences	(944,794)	169,784	-	-
Tax benefit of losses carried forward	96,435	249,682	-	-
	(848,359)	419,466	-	-
	748,585	**805,515**	**60**	**120**

(b) The tax on profit differs from the theoretical amount that would arise using the statutory rate of 25% as follows:

	The Group		The Company	
	2018 $'000	2017 $'000	2018 $'000	2017 $'000
Profit before taxation	4,352,989	4,156,046	1,157,408	577,984
Tax calculated at 25% (2017: 25%)	1,088,247	1,039,011	289,352	144,496
Adjusted for the effects of:				
Income not subject to tax	(667,487)	(341,057)	(289,292)	(144,376)
Disallowed expenses	460,079	186,663	-	-
Tax losses not recognised	4,827	64,219	-	-
Tax losses recovered	(167,203)	(145,754)	-	-
Effect of taxation under different tax regime	12,965	(27,792)	-	-
Green fund and business levy	13,743	11,465	-	-
Other	1,311	19,098	-	-
Prior year under/(over) provision	2,103	(338)	-	-
	748,585	**805,515**	**60**	**120**

8. Taxation (Continued)

(c) At the reporting date, taxation losses, subject to agreement with the relevant Tax Authorities, available for set off against future taxable profits, amounted to approximately $3,159,340,000 (2017: $2,646,885,000) for the Group and $208,364,000 (2017: $114,635,000) for the company.

9. Earnings per Stock Unit

Earning per stock unit ("EPS") is computed by dividing the profit attributable to stockholders of the parent of $3,555,260,000 (2017: $3,312,838,000) by the weighted average number of ordinary stock units in issue during the year, numbering 1,630,552,532 (2017: 1,630,552,532).

10. Dividends

	The Group	
	2018	2017
	$'000	$'000
Final dividend in respect of 2017 @ 23.0 cents per stock unit	375,027	-
Interim dividend in respect of 2018 @ 20.0 cents per stock unit	326,111	-
Final dividend in respect of 2016 @ 18.0 cents per stock unit	-	293,499
Interim dividend in respect of 2017 @ 22.0 cents per stock unit	-	358,722
	701,138	**652,221**

11. Cash and Cash Equivalents

	The Group		The Company	
	2018	2017	2018	2017
	$'000	$'000	$'000	$'000
Cash	15,136,789	10,493,830	-	-
Balances with Central Bank	10,318,918	8,854,033	-	-
Cash equivalents	2,381,566	1,547,290	1,090	**642**
	27,837,273	**20,895,153**	**1,090**	**642**

Cash equivalents of the Group include $1,868,024,000 (2017: $1,126,575,000) held by an investment broker as security for funding provided on certain investment securities, which is not available for immediate use. In addition, the Group also has a restricted amount of $7,745,000 (2017: $7,745,000) deposited at an interest rate of 1% (2017: 1.5%) under an agreement with a building society which co-ordinates and administers a home ownership assistance programme on behalf of the Group's Jamaican employees.

12. Loans and Notes Receivable

	The Group		The Company	
	2018	2017	2018	2017
	$'000	$'000	$'000	$'000
Corporate	29,826,428	21,103,648	-	-
Financial institutions	1,182,298	1,803,139	5,821,425	5,934,345
Individuals	25,937,753	25,547,307	-	-
	56,946,479	48,454,094	5,821,425	5,934,345
Less: allowance for impairment	(1,320,736)	(1,320,960)	-	-
	55,625,743	**47,133,134**	**5,821,425**	**5,934,345**

Allowance for impairment:

	The Group	
	2018	2017
	$'000	$'000
Balance at 1 April	1,320,960	1,127,790
Charge for year	286,673	271,977
Recoveries	(84,299)	-
Write-offs	(199,988)	(83,894)
Translation (losses)/gains	(2,610)	5,087
Balance at 31 March	**1,320,736**	**1,320,960**

Notes receivable for the company represents loan advances to subsidiaries repayable on 14 January 2024. Interest is payable monthly at a fixed rate of 6.0% and 7.5% and the notes are per annum.

Notes receivable include the balance on an interest-free revolving advance of $324,037,000 (2017: $324,037,000) to the trustees of the Group's Employee Share Ownership Plan (ESOP), the repayment date for which has not been fixed. The number of stock units held by the ESOP at 31 March 2018 was 149,776,832 (2017: 158,170,762).

13. Other Receivables

	The Group		The Company	
	2018	2017	2018	2017
	$'000	$'000	$'000	$'000
Other receivables	1,452,462	1,110,373	36,333	13,960
Staff loans	604,509	435,688	-	-
	2,056,971	1,546,061	36,333	13,960
Less: allowance for impairment	(1,719)	(899)	-	-
	2,055,252	**1,545,162**	**36,333**	**13,960**

Allowance for impairment

	The Group		The Company	
	2018	2017	2018	2017
	$'000	$'000	$'000	$'000
Balance at 1 April	899	592	-	-
Charge for year	820	307	-	-
Balance at 31 March	1,719	899	-	-

14. Securities Purchased Under Agreements to Resell

	The Group		The Company	
	2018	2017	2018	2017
	$'000	$'000	$'000	$'000
Denominated in Jamaica dollars	1,120,001	915,006	4,166,004	-
Denominated in United States dollars	-	-	5,318,196	343,412
	1,120,001	**915,006**	**9,484,200**	**343,412**

Resale agreements include balances with related parties as set out in Note 25. All resale agreements mature within twelve months after the reporting date.

The securities that the Group obtains as collateral under resale agreements may be used as collateral under repurchase agreements. Certain of these securities and interest accrued thereon are pledged as security for repurchase agreements (Note 23).

At the reporting date, the fair value of the securities obtained and held under resale agreements was $1,120,000,000 (2017: $934,173,000) and $9,484,000,000 (2017: $343,412,000) for the Group and Company respectively.

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15. Investment Securities

	The Group		The Company	
	2018 $'000	2017 $'000	2018 $'000	2017 $'000
Loans and receivables:				
Certificates of deposit	648	-	648	-
Government of Jamaica securities	11,062,317	14,492,680	-	-
Other sovereign bonds	239,312	240,597	-	-
Corporate:				
Government of Jamaica guaranteed	2,746,513	3,101,770	-	-
Other	145,497	161,812	-	-
	14,194,287	17,996,859	648	-
Available-for-sale securities:				
Government of Jamaica securities	101,977,287	97,061,290	-	-
Certificates of deposit	9,030,982	5,009,441	-	900,648
Government of Jamaica guaranteed	3,174,475	4,675,555	-	-
Corporate bonds	18,579,588	13,033,897	-	-
Other sovereign bonds	43,661,025	31,072,165	-	-
Quoted securities	1,036,332	422,491	-	-
Units in unit trusts	286,429	162,198	-	-
Money market funds	944,003	1,376,520	-	-
Other	447,328	88,992	18,908	18,908
	179,137,449	152,902,549	18,908	919,556
Fair value through profit or loss:				
Corporate bonds	721,494	416,038	-	-
Other sovereign bonds	615,629	47,075	-	-
Quoted securities	231,145	445,331	-	-
	1,568,268	908,444	-	-
Held-to-maturity:				
Sovereign bonds	368,732	57,060	-	-
	195,268,736	171,864,912	19,556	919,556
Less: allowance for impairment losses	(362,868)	(293,109)	-	-
	194,905,868	**171,571,803**	**19,556**	**919,556**

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15. Investment Securities (Continued)

Allowance for impairment:

	The Group		The Company	
	2018	**2017**	**2018**	**2017**
	$'000	**$'000**	**$'000**	**$'000**
Balance at 1 April	293,109	284,364	-	-
Recoveries	(74,222)	-	-	-
Charge for the year	143,981	8,745	-	-
Balance at 31 March	362,868	293,109	-	-

Investments mature, from the reporting date, as follows:

	The Group		The Company	
	2018	**2017**	**2018**	**2017**
	$'000	**$'000**	**$'000**	**$'000**
Government of Jamaica securities:				
Within 3 months	51,307	8,216,864	-	-
From 3 months to 1 year	2,269,491	-	-	-
From 1 year to 5 years	17,758,509	30,298,905	-	-
Over 5 years	92,960,297	73,038,202	-	-
	113,039,604	111,553,971	-	-
Certificates of deposit:				
Within 3 months	8,834,776	4,827,335	648	900,648
From 3 months to 1 year	176,275	100,000	-	-
From 1 year to 5 years	20,580	82,103	-	-
	9,031,631	5,009,438	648	900,648
Sovereign and corporate bonds:				
Within 3 months	2,402,539	84,025	-	-
From 3 months to 1 year	1,571,851	243,596	-	-
From 1 year to 5 years	20,920,514	10,756,608	-	-
Over 5 years	44,290,147	41,201,082	-	-
	69,185,051	52,285,311	-	-
Other [see (c) below]	3,649,582	2,723,083	18,908	18,908
	194,905,868	**171,571,803**	**19,556**	**919,556**

(a) Government of Jamaica securities and certain other bonds are pledged as security for repurchase agreements (Note 23) and notes payable (Note 24).

(b) Government of Jamaica securities having an aggregate face value of $281,084,100 (2017: $199,000,000) have been pledged as collateral against possible overdrafts at the Central Bank and against uncleared effects at one of the company's bankers.

(c) Other includes quoted equities, unit trusts and interest in pooled money market fund, for which there are no fixed maturity dates.

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16. Interest in Subsidiaries

	Company 2018 $'000	Company 2017 $'000
Shares at cost:		
Jamaica Money Market Brokers Limited	1,864,054	1,864,054
JMMB Bank (Jamaica) Limited (formally JMMB Merchant Bank Limited)	4,885,176	4,885,176
JMMB Money Transfer Limited	50,789	50,789
Jamaica Money Market Brokers (Trinidad and Tobago) Limited	3,497,625	-
	10,297,644	**6,800,019**

17. Investment Properties

The properties are measured at fair value, as appraised by professional, independent valuers every three years and in the intervening years by the directors. The valuation model considers the present value of the net cash flows that can be generated from the property, the condition of the buildings and their location (prime vs secondary), in addition to recent market transactions in the same proximity.

Investment properties generated revenue of $526,000 (2017: $1,437,000) and incurred expenses of $16,089,000 (2017: $8,434,000) for the year.

The fair value of the Group's investment properties is categorised as Level 3 in the fair value hierarchy as described in Note 29.

The technique used to determine the fair value of the Group's investment properties is as follows.

Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Market approach. This model takes into account: • The assumed intention to dispose of the property in an open market transaction • The assumed sale would take place on the basis of a willing seller and willing buyer; • A reasonable period in which to negotiate a sale, taking into account the nature of the property and state of the market; • Values are expected to remain stable throughout the period of market exposure and disposal (hypothetical); and • The property will be freely exposed to the market.	• Judgements about whether the property can be sold, exchanged, transferred, let, mortgaged or used for any other economic activity, within its use class. • The strength of demand for the property, given its condition, location and range of potential uses. • The potential rental value of the property in the current investment climate.	The estimated fair value would increase/(decrease) if: • The strength of the demand is greater/(less) than judged. • The potential rental income from the property is greater/ (less) than judged.

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18. Intangible Assets

	Computer Software $'000	Customer List and Core Deposits $'000	Licence $'000	Goodwill $'000	Other $'000	Total $'000
Cost						
31 March 2016	1,064,633	572,814	282,592	27,978	356,445	2,304,462
Acquired in business combination (Note 26)	-	15,123	-	-	-	15,123
Additions	304,276	-	-	-	-	304,276
Reclassification	14,616	-	-	-	-	14,616
Exchange rate adjustment	192	22,702	6,797	323	4,668	34,682
31 March 2017	1,383,717	610,639	289,389	28,301	361,113	2,673,159
Additions	305,909	-	-	-	-	305,909
Reclassification	12,638	-	-	-	-	12,638
Exchange rate adjustment	(31,507)	(6,691)	(5,760)	-	(3,956)	(47,914)
31 March 2018	1,670,757	603,948	283,629	28,301	357,157	2,943,792
Accumulated Amortisation						
31 March 2016	505,661	181,074	-	-	268,569	955,304
Charge for the year	137,278	57,737	-	-	-	195,015
Exchange rate adjustment	(1)	1,673	-	-	4,668	6,340
31 March 2017	642,938	240,484	-	-	273,237	1,156,659
Charge for the year	129,312	55,519	-	-	8,207	193,038
Exchange rate adjustment	(2,228)	(2,234)	-	-	(3,956)	(8,418)
31 March 2018	770,022	293,769	-	-	277,488	1,341,279
Net Book Value						
31 March 2018	**900,735**	**310,179**	**283,629**	**28,301**	**79,669**	**1,602,513**
31 March 2017	**740,779**	**370,155**	**289,389**	**28,301**	**87,876**	**1,516,500**
31 March 2016	**558,972**	**391,740**	**282,592**	**27,978**	**87,876**	**1,349,158**

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18. Intangible Assets (Continued)

Impairment testing for intangible assets with indefinite useful lives

Licences recognised in JMMB (Trinidad & Tobago) Limited and JMMB Holding Company Limited, SRL

The recoverable amount of the cash generating units (CGUs) in which the licences are included was based on value in use, determined by discounting the future cash flows to be generated from the continuing use of the CGUs. The licences were valued using “with-and-without” (WOW) method which compares the present value of the cash flows “with the asset” in place to the present value of cash flows “without the asset.”

The key assumptions used in the estimation of the recoverable amounts were as follows:

	2018	2017
Discount rate	14.5%,15.8%	14%, 15.5%
Long-term growth rate	3%	3%
Time to obtain licence	3-5 years	3-5 years

The discount rates were post-tax measures determined based on rates used for similar assets in the relevant countries, business risks and other company specific risks.

The cash flow projections include specific estimates for ten and eleven years and a terminal growth rate thereafter. The terminal growth rate was determined based on management’s estimate of the long-term compounded annual growth rates, consistent with assumption that a market participant would make. The ten and eleven year cash flow projections are considered more reflective of a stabilized level of earnings to estimate terminal value.

The estimated recoverable amounts of the CGUs were estimated to be higher than their recoverable amounts and no impairment was identified.

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19. Property, Plant and Equipment

	The Group					
	Freehold Land and Buildings $'000	Leasehold Improvement $'000	Motor Vehicles $'000	Computer Equipment $'000	Equipment, Furniture and Fittings $'000	Total $'000
Cost						
31 March 2016	**1,529,759**	**736,816**	**59,417**	**743,791**	**1,684,774**	**4,754,557**
Additions	569,490	56,710	-	199,871	160,916	986,987
Transfer	(204,267)	117,544	-	-	86,723	-
Reclassification	(5,815)	(40,289)	-	-	31,488	(14,616)
Disposals	-	(26,061)	(11,452)	-	(11,533)	(49,046)
Exchange rate adjustment	3,202	19,270	60	1,648	31,112	55,292
31 March 2017	**1,892,369**	**863,990**	**48,025**	**945,310**	**1,983,480**	**5,733,174**
Additions	154,193	17,436	17,867	159,108	234,842	583,446
Transfer	(3,500)	-	-	3,500	-	-
Reclassification	-	-	-	-	(12,638)	(12,638)
Disposals	-	(39,392)	(8,749)	(25,857)	(945)	(74,943)
Exchange rate adjustment	(1,715)	(27,758)	(706)	9,417	(44,931)	(65,693)
31 March 2018	**2,041,347**	**814,276**	**56,437**	**1,091,478**	**2,159,808**	**6,163,346**
Accumulated Depreciation						
31 March 2016	**145,536**	**412,527**	**37,525**	**568,484**	**1,152,389**	**2,316,461**
Charge for the year	29,012	68,346	8,367	175,306	67,970	349,001
Disposals	-	(19,982)	(8,422)	-	(11,170)	(39,574)
Exchange rate adjustment	-	19,059	-	(73,560)	91,197	36,696
31 March 2017	**174,548**	**479,950**	**37,470**	**670,230**	**1,300,386**	**2,662,584**
Charge for the year	30,812	67,141	9,280	203,842	82,600	393,675
Disposals	-	(39,355)	(8,749)	(21,922)	(815)	(70,841)
Exchange rate adjustment	-	(11,475)	(500)	(55,679)	27,705	(39,949)
31 March 2018	**205,360**	**496,261**	**37,501**	**796,471**	**1,409,876**	**2,945,469**
Net Book Value						
31 March 2018	**1,835,987**	**318,015**	**18,936**	**295,007**	**749,932**	**3,217,877**
31 March 2017	**1,717,821**	**384,040**	**10,555**	**275,080**	**683,094**	**3,070,590**
31 March 2016	**1,384,223**	**324,289**	**21,892**	**175,307**	**532,385**	**2,438,096**

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19. Property, Plant and Equipment (Continued)

	The Company			
	Leasehold Improvements	Furniture, Fixtures and Equipment	Motor Vehicles	Total
	$'000	$'000	$'000	$'000
Cost				
Acquired on group reorganisation and balance at 31 March 2016, 31 March 2017 and 31 March 2018	10,271	3,493	45	13,809
Depreciation				
Acquired on group reorganisation and balance at 31 March 2016, 31 March 2017 and 31 March 2018	9,958	3,493	45	13,496
Net Book Value				
Acquired on group reorganisation and balance at 31 March 2016, 31 March 2017 and 31 March 2018	313	-	-	313

20. Deferred Income Tax

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income tax assets and liabilities relate to income tax levied by the same fiscal authority on either the taxable entity or a different taxable entity where there is an intention to settle the balances on the net basis.

Deferred income tax is calculated in full on temporary differences under the liability method using the principal tax rate applicable to the jurisdictions in which the temporary differences arise.

Deferred tax assets and liabilities recognised on the statement of financial position are as follows:

	The Group	
	2018	2017
	$'000	$'000
Deferred income tax assets	115,130	43,902
Deferred income tax liabilities	(451,084)	(1,232,702)
Net deferred income tax liabilities	(335,954)	(1,188,800)

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20. Deferred Income Tax (Continued)

Deferred income tax assets and deferred income tax liabilities are due to the following items:

	The Group		The Company	
	2018	**2017**	**2018**	**2017**
	$'000	**$'000**	**$'000**	**$'000**
Deferred income tax assets -				
Investments	1,028,219	898,838	-	-
Unrealised foreign exchange loss	1,916	-	-	-
Other payables	20,433	22,028	-	-
Property, plant and equipment	52,548	22,618	-	-
Interest payable	387,395	343,554	-	-
Tax losses carried forward	126,086	222,521	-	-
	1,616,597	1,509,559	-	-
Deferred income tax liabilities -				
Investments	1,344,843	467,927	-	-
Unrealised foreign exchange gains	12,694	1,669,934	-	-
Property, plant and equipment	485	9,261	-	-
Interest receivable	594,529	551,237	-	-
	1,952,551	2,698,359	-	-
Net deferred income tax liabilities	**(335,954)**	**(1,188,800)**	**-**	**-**

The movement for the year in the net deferred tax is as follows:

	2018			
	The Group			
	Balance at Beginning of Year	**Recognised in Income**	**Recognised in Other Comprehensive Income**	**Balance at End of Year**
	$'000	**$'000**	**$'000**	**$'000**
		(Note 8)		
Tax losses carried forward	222,521	(96,435)	-	126,086
Investments	430,911	(752,022)	4,487	(316,624)
Accounts payable	22,028	(1,595)	-	20,433
Property, plant and equipment	13,357	38,706	-	52,063
Interest payable	343,554	43,841	-	387,395
Unrealised loss	-	1,916	-	1,916
Unrealised gains	(1,669,934)	1,657,240	-	(12,694)
Interest receivable	(551,237)	(43,292)	-	(594,529)
	(1,188,800)	**848,359**	**4,487**	**(335,954)**

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20. Deferred Income Tax (Continued)

	2017			
	The Group			
	Balance at Beginning of Year	Recognised in Income	Recognised in Other Comprehensive Income	Balance at End of Year
	$'000	$'000	$'000	$'000
		(Note 8)		
Tax losses carried forward	472,203	(249,682)	-	222,521
Investments	748,927	(60,321)	(257,695)	430,911
Accounts payable	24,535	(2,507)	-	22,028
Property, plant and equipment	(1,222)	14,579	-	13,357
Interest payable	342,828	726	-	343,554
Unrealised gains	(1,606,552)	(63,382)	-	(1,669,934)
Interest receivable	(492,358)	(58,879)	-	(551,237)
	(511,639)	**(419,466)**	**(257,695)**	**(1,188,800)**

21. Share Capital

	2018	2017
	Number of Shares ('000)	Number of Shares ('000)
Authorised:		
Ordinary stock units of no par value	1,816,400	1,816,400
Fixed rate cumulative redeemable preference shares of no par value	6,000,000	6,000,000
	7,816,400	7,816,400

	2018	2017
	Number of Shares ('000)	Number of Shares ('000)
Issued ordinary share capital:		
Ordinary stock units in issue	1,630,552	1,630,552

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21. Share Capital (Continued)

	The Group		The Company	
	2018 $'000	2017 $'000	2018 $'000	2017 $'000
Stated capital:				
1,630,552,532 (2017: 1,630,552,532) ordinary stock units	1,864,554	1,864,554	1,864,554	1,864,554
715,482,000 7.50% cumulative redeemable preference stock units	1,430,964	1,430,964	-	-
15,358,000 7.25% cumulative redeemable preference stock units	38,395	38,395	-	-
9,434,000 7.25% cumulative redeemable preference stock units	14,151	14,151	14,151	14,151
1,827,548,000 7.50% cumulative redeemable preference stock units	1,827,548	1,827,548	1,827,548	1,827,548
213,500 5.75% cumulative redeemable preference stock units	40,134	41,063	40,134	41,063
42,783,500 US$ 6.00% cumulative redeemable preference stock units	5,361,628	5,485,700	5,361,628	5,485,700
32,177,000 7.00% cumulative redeemable preference stock units	64,354	-	64,354	-
1,848,937,000 7.25% cumulative redeemable preference stock units	3,697,874	-	3,697,874	-
155,000 US$ 5.50% cumulative redeemable preference stock units	38,849	-	38,849	-
21,265,000 US$ 5.75% cumulative redeemable preference stock units	5,329,860	-	5,329,860	-
	19,708,311	10,702,375	18,238,952	9,233,016
Less: redeemable preference stock units classified as liability	(17,843,757)	(8,837,821)	(16,374,398)	(7,368,462)
	1,864,554	**1,864,554**	**1,864,554**	**1,864,554**

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21. Share Capital (Continued)

During August 2013, the company issued 715,482,000 7.50% fixed rate cumulative redeemable preference shares and 15,358,000 7.25% fixed rate cumulative redeemable preference shares at a price of $2.00 and $2.50 per share, respectively, to the public by public offering. The redeemable preference shares mature August 2018.

On 14 January 2016, the company issued 9,434,000 and 1,827,548,000 7.25% and 7.50% variable rate cumulative redeemable preference shares and 213,500 and 42,783,500 5.75% and 6.00% fixed rate cumulative redeemable preference shares at a price of J$1.50, J$1.00, US$1.50 and US$1.00 per share, respectively, by public offering. The redeemable preference shares mature on 14 January 2024.

On 7 March 2018, the company issued 32,177,000 and 1,848,937,000 7.00% and 7.25% JMD variable rate cumulative redeemable preference shares and 155,000 and 21,265,000 5.50% and 5.75% USD fixed rate cumulative redeemable preference shares at a price of J$2.00 and US$2.00 per share, respectively, by public offering. The redeemable preference shares mature 6 March 2025.

The significant terms and conditions of the preference stock units are as follows:

(i) The right to a cumulative preferential dividend payable monthly at the rate agreed for each class;

(ii) The right, on winding up, to receive all arrears of dividend and repayment of the capital in priority to the ordinary shareholders; and

(iii) No right to vote, except where dividends are not paid for twelve months or on winding up of the company.

The rights attaching to the ordinary shares include the following:

(i) Entitlement of dividends as declared from time to time (Note 10).

(ii) Entitlement to one vote per share at meetings of the company.

22. Reserves

(a) Retained Earnings Reserve

In previous years, in accordance with a board resolution, a subsidiary transferred a portion of its profit after tax to a non-distributable retained earnings reserve. This reserve constitutes a part of the subsidiary's regulatory capital.

(b) Investment Revaluation Reserve

The investment revaluation reserve comprises the cumulative net change in the fair value of available-for-sale financial assets, net of deferred tax, until the assets are derecognised or impaired.

(c) Cumulative Translation Reserve

The cumulative translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

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23. Securities Sold Under Agreements to Repurchase

	The Group	
	2018	2017
	$'000	$'000
Denominated in Jamaica dollars	48,859,585	39,998,213
Denominated in United States dollars	81,575,204	95,245,532
Denominated in Pound Sterling	3,101,671	3,009,170
Denominated in Euro	79,523	22,470
Denominated in Dominican Republic Peso	19,776,783	14,645,279
Denominated in Canadian dollars	417,674	510,345
Denominated in Trinidad and Tobago dollars	4,356,849	3,216,586
	158,167,289	**156,647,595**

Repurchase agreements are collateralised by certain securities and other instruments held by the Group with a carrying value of $169,115,284,000 (2017: $166,522,193,000) (Notes 14 and 15).

24. Notes Payable

		The Group	
		2018	2017
		$'000	$'000
(i)	Senior Unsecured US$ Fixed Note	2,388,975	2,444,258
(ii)	Subordinated debt	1,852,000	1,521,600
(iii)	Subordinated debt	540,015	559,448
(iv)	Senior secured TT$ Fixed Note	1,109,348	-
(v)	Senior secured US$ Fixed Note	1,870,808	-
(vi)	Promissory Note US$ Note	1,002,560	-
(vii)	Promissory Note US$ Fixed Note	18,798,000	-
		27,561,706	**4,525,306**

(i) The note is unsecured and bore interest at 6.75% per annum, with interest payable on a quarterly basis. The note matured on July 18, 2016; however, noteholders exercised their option to extend the maturity to July 18, 2019 at an interest rate of 7.75% per annum.

(ii) This represents subordinated debts of TT$80M issued by a subsidiary for a term of eight (8) years, maturing on 28 March 2022, at a fixed rate of 4.5% per annum. This debt was increased to TT$100 million in February 2018 under the same terms.

(iii) This represents subordinated debt of US$4,151,000 issued by a subsidiary for a term of (5) years, maturing on 29 June 2020, at a fixed rate of 7.0% per annum.

24. Notes Payable (Continued)

(iv) This represents fixed rate debt issued in two tranches bearing interest at 2.75% and 3.1% per annum, payable on a semi-annual basis. The notes mature in November 2018 and November 2019 and are secured by investment securities (Note 15).

(v) This represents fixed rate US$ debt issued in three tranches bearing interest at 2.85%-3.55% per annum, payable on a semi-annual basis. The notes mature in November 2018, November 2019 and November 2020 and are secured by investment securities (Note 15).

(vi) The amount above represents a short-term unsecured funding facility from Citibank N. A of US$8,000,000 at an interest rate of 3.97% for the period October 10, 2017 to April 6, 2018.

(vii) This note is unsecured and bears interest at 2.5% per annum, payable quarterly. The note matures on 30 April 2019.

25. Related Party Transactions and Balances

Parties are considered to be related if one party has the ability to control or exercise significant influence over the other party in making financial or operational decisions or if both are subject to control or significant influence by the same party.

Related companies include subsidiaries and major shareholders. Related parties include directors, key management and companies for which the Group provides management services.

(i) The statement of financial position includes balances, arising in the normal course of business, with related parties, as follows:

	The Group		The Company	
	2018	**2017**	**2018**	**2017**
	$'000	**$'000**	**$'000**	**$'000**
Directors-				
Notes receivable	152,504	138,658	-	-
Interest payable	(279)	(202)	-	-
Customer deposits	(86,496)	(101,189)	-	-
Repurchase agreements	(37,582)	(39,364)	-	-
Major shareholders -				
Notes receivable	324,037	324,037	-	-
Subsidiaries -				
Resale agreements	-	-	9,484,200	343,412
Notes receivable	-	-	5,821,425	5,934,345
Interest receivable	-	-	106,507	73,957
Due from subsidiary	-	-	758,212	227,377
Payables	-	-	(7,586,011)	(4,890,595)

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25. Related Party Transactions and Balances (Continued)

(ii) The profit or loss account includes the following income earned from, and expenses incurred in, transactions with related parties, in the ordinary course of business:

	The Group		The Company	
	2018	**2017**	**2018**	**2017**
	$'000	**$'000**	**$'000**	**$'000**
Directors:				
Interest income	9,671	12,103	-	-
Interest expense	(1,342)	(2,078)	-	-
Major shareholders:				
Interest income	127	184	-	-
Interest expense	(7,842)	(15,571)	-	-
Subsidiaries:				
Dividend income	-	-	1,252,100	652,221
Interest income	-	-	455,554	460,008
Interest expense	-	-	(500,548)	(467,767)
Managed funds:				
Gain on sale of securities	801,646	1,404,631	-	-
Interest expense	(410,979)	(982,325)	-	-

(iii) Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly. Such persons comprise the directors and senior management of the Group. The compensation paid or payable to key management for employee services is as shown below:

	The Group	
	2018	**2017**
	$'000	**$'000**
Directors emoluments:		
Fees (note 7)	95,166	152,007
Management remuneration	59,814	58,921
Other key management compensation:		
Short-term employee benefits	423,224	332,004
Post-employment benefits	16,876	13,762
	595,080	556,694

26. Business Combinations

Acquisition of assets and liabilities of Corporacion de Credito America S.A.

On 20 February 2017, JMMB Holding Company, SRL, a 100% owned subsidiary, acquired control of the assets and liabilities of Corporation de Credito America S.A. a savings and loan bank in the Dominican Republic. The acquisition of the portfolio resulted in net liabilities of RD$32.2 million (J$87.6 million).

The net liabilities acquired were transferred simultaneously to Banco Rio De Ahorro Y Credito JMMB Bank S.A. (Banco Rio) (at the same values at which they were acquired).

JMMB Holding Company, SRL has invested RD$32.2 milion (J$87.6 million) in Banco Rio to cover the losses incurred on the acquisition.

Valuations of acquired tangible and intangible assets are finalised. Details of the purchase price allocation among net assets acquired are as follows:

	2017
	$'000
Purchase consideration – cash paid	-
Fair value of net liabilities acquired	(87,646)
Loss on acquisition of portfolio	(87,646)

The assets and liabilities arising from the acquisition are as follows:

	Fair Value
	$'000
Cash and cash equivalents	112,744
Investment securities	484,646
Loans and notes receivable	335,664
Intangible assets	15,123
Accounts receivable	10,591
Customer deposits	(1,028,723)
Accounts payable	(17,691)
Net liabilities acquired	(87,646)
Cash consideration	-
Cash equivalents acquired	112,744
Net cash inflow on acquisition	112,744

27. Non-Controlling Interest

The following table summarises information relating to the Group's material non-controlling interest (NCI), JMMB Puesto de Bolsa, S.A. before any intra-group eliminations.

(a) Statement of financial position

	2018	2017
NCI percentage	20%	20%
	$'000	$'000
Total assets	29,564,742	25,257,375
Total liabilities	(25,674,654)	(21,838,391)
Net assets	3,890,088	3,418,984
Carrying amount of NCI	1,092,253	888,629

(b) Profit and loss account and other comprehensive income

	2018	2017
Revenue	2,965,950	2,548,498
Profit	443,538	188,464
Other comprehensive income	737,053	290,892
Profit allocated to NCI, net	49,144	37,693
Other comprehensive income allocated to NCI	203,624	96,364

(c) Statement of cash flows

	2018	2017
Cash flows from operating activities	5,477,154	2,366,348
Cash flows from investing activities	(5,515,621)	(2,255,689)
Cash flows from financing activities	(39,236)	(145,697)
Net decrease in cash and cash equivalents	(77,703)	(35,038)

28. Financial Risk Management

A financial instrument is any contract that gives rise to a financial asset of one enterprise and financial liability or equity instrument of another enterprise.

(a) Introduction and overview

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk
- Operational risk

Risk management framework

The risks are managed through an established risk management framework for the Group, which involves the analysis, evaluation, acceptance and management of some degree of risk or combination of risks. Taking risk is core to the financial business, and the operational risks are an inevitable consequence of being in business. The Group's aim is therefore to achieve an appropriate balance between risk and return and minimise potential adverse effects on the Group's financial performance.

The Group's risk management policies are designed to identify and analyse these risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to-date information systems. The Group regularly reviews its risk management policies and systems to reflect changes in markets, products and emerging best practice.

The Board of Directors is ultimately responsible for the establishment and oversight of the Group's risk management framework. The Board has established committees/departments for managing and monitoring risks, as follows:

(i) Risk Management Committee

The Risk Management Committee is a Board Committee responsible for the supervision of the overall risk management functions of the Group. The committee decides the policies and strategy for integrated risk management of the various risk exposures of the Group.

(ii) Board Credit Committees

The respective Bank Board Credit Committees are responsible for approving all credit requests above a specified threshold and ensuring that all lending facilities conform to standards agreed by the Board and embodied in the Credit Risk Policy. The committees are ultimately responsible for determining the composition and management of the credit portfolios and have available a number of measures they can employ in this respect, including making specific and general allowances against actual or potential impairment. The committees are supported in their work by the Management Credit Committee.

28. Financial Risk Management (Continued)

(a) Introduction and overview (continued)

Risk management framework (continued)

(iii) Audit Committees

The Audit Committees monitor the quality of the Group's internal controls and compliance with regulatory requirements. The Audit Committee is assisted in its oversight role by the Internal Audit Function and the Risk Management Unit and Compliance Unit. Internal Audit undertakes both regular and ad hoc reviews of the risk management controls and procedures, the results of which are reported quarterly to the Audit Committee.

The management of certain specific aspects of operational risk, such as fraud, is also within the purview of the Audit Committee.

(iv) Investment Committees

The Investment Committees are management committees responsible for the management of market risks. The committees monitor the composition of assets and liabilities, evaluate potential market risk involved in launching new products, review and articulate funding policy and decide optimal ways of managing the Group's liquidity.

(b) Credit risk

The Group assumes credit risk, which is the risk that its customers or counterparties will cause a financial loss for the Group by failing to discharge their contractual obligations. Credit exposures arise principally in lending and investment activities. The Group structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to a single counterparty, or groups of related counterparties and to geographical and industry segments.

Credit review process

The Group has established a credit quality review process involving regular analysis of the ability of borrowers and other counterparties to meet interest and capital repayment obligations.

(i) Loans and notes receivable

The Group assesses the probability of default of individual counterparties using internal ratings. Clients of the Group are segmented into rating classes. The Group's rating scale, which is shown below, reflects the range of default probabilities defined for each rating class.

Rating grades	Description of the grade
1	Excellent
2	Good credit
3	Average credit
4	Acceptable
5	Marginal
6	Substandard
7	Doubtful

28. Financial Risk Management (Continued)

(b) Credit risk (continued)

Credit review process (continued)

(i) Loans and notes receivable (continued)

Exposure to credit risk is managed in part by obtaining collateral and corporate and personal guarantees. Counterparty limits are established by the use of a credit classification system, which assigns each counterparty a risk rating. Risk ratings are subject to regular revision. The credit quality review process allows the Group to assess the potential loss as a result of the risk to which it is exposed and to take corrective action.

Loans and notes receivable that are cash-secured are included in the credit classification as Risk Rated 1, based on the Group's rating grades.

(ii) Investments and resale agreements

The Group limits its exposure to credit risk by investing in liquid securities with counterparties that have high credit quality. As a consequence, management's expectation of default is low.

The Group has documented investment policies which facilitate the management of credit risk on investment securities and resale agreements. The Group's exposure and the credit ratings of its counterparties are continually monitored.

(iii) Cash and cash equivalents

Cash and cash equivalents are held in financial institutions which management regards as strong and there is no significant concentration. The strength of these financial institutions is continually reviewed by the Risk Management Committee.

Collateral and other credit enhancements

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are implemented regarding the acceptability of different types of collateral.

The main types of collateral obtained are as follows:

Loans and notes receivable – Cash and other near cash securities, mortgages over commercial and residential properties, charges over general business assets such as premises, equipment, inventory, accounts receivable, marketable securities and motor vehicles.

Resale agreements – Government of Jamaica and Bank of Jamaica securities. The collateral obtained (including accrued interest) is at least 100% of the sum of the principal value of the resale agreement plus interest to be earned.

Management monitors the market value of collateral held and where necessary, requests additional collateral in accordance with the underlying agreement.

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28. Financial Risk Management (Continued)

(b) Credit risk (continued)

Impairment

The main considerations for the loans and notes receivable impairment assessments include arrears of principal, or interest overdue by more than 90 days, or whether there are any known difficulties in the cash flows of counterparties, credit rating downgrades, or infringement of the original terms of the contract.

The Group addresses impairment assessment by reviewing all loans and notes receivable with risk ratings of 5 and above.

Individually assessed allowances are made for financial assets based on a review conducted at least quarterly, or more regularly when individual circumstances require. Impairment allowances on individually assessed accounts are determined by an evaluation of the incurred loss at the reporting date on a case-by-case basis, and are applied to all accounts. The assessment normally encompasses collateral held and the anticipated receipts for that individual account.

The internal rating tool assists management to determine whether objective evidence of impairment exists, based on the following criteria set out by the Group:

- Delinquency in contractual payments of principal or interest;
- Cash flow difficulties experienced by the borrower (e.g. equity ratio, net income percentage of sales);
- Breach of loan covenants or conditions;
- Initiation of bankruptcy proceedings;
- Deterioration of the borrower’s competitive position; and
- Deterioration in the value of collateral.

Credit quality

The credit quality of the Group’s loan portfolio is stated below:

	The Group		The Company	
	2018 **$’000**	**2017** **$’000**	**2018** **$’000**	**2017** **$’000**
Neither past due nor impaired – standard	46,521,652	38,841,508	5,821,425	5,934,345
Past due but not impaired	5,595,891	5,937,433	-	-
Past due and impaired	4,828,936	3,675,153	-	-
	56,946,479	48,454,094	5,821,425	5,934,345
Less: allowance for impairment	(1,320,736)	(1,320,960)	-	-
	55,625,743	**47,133,134**	**5,821,425**	**5,934,345**

28. Financial Risk Management (Continued)

(b) Credit risk (continued)

The aging of the Group's past due loans at the reporting date was as follows:

	The Group	
	2018	**2017**
	$'000	**$'000**
Past due 1 – 30 days	3,413,755	3,964,420
Past due 31 – 60 days	1,687,041	1,783,478
Past due 61 – 90 days	684,467	1,157,934
More than 90 days	4,639,564	2,706,754
	10,424,827	9,612,586

Loans become past due when payments are not received on contractual repayment dates. The majority of past due loans are not considered impaired.

Exposure to credit risk

Maximum exposure to credit risk before collateral held or other credit enhancements

The maximum credit exposure, that is, the amount of loss that would be suffered if every counter-party to the Group's financial assets were to default at once, is represented as follows:

(1) For financial assets recognised at the reporting date:

The carrying amounts of financial assets as shown on the statement of financial position.

(2) For financial assets not recognised at the reporting date:

	The Group	
	2018	**2017**
	$'000	**$'000**
Loan commitments	4,086,135	2,194,035
Guarantees and letters of credit	1,786,034	1,395,058
	5,872,169	3,589,093

(i) Repossessed properties are sold as soon as practicable with the proceeds used to reduce the outstanding indebtedness. The Group does not occupy repossessed properties for business or other use.

The carrying value of the loans on which the collateral was repossessed during the year was $72,220,000 (2017: $55,503,000).

28. Financial Risk Management (Continued)

(b) Credit risk (continued)

Exposure to credit risk (continued)

(ii) Renegotiated loans and leases

Restructuring activities include extended payment arrangements, approved external management plans, modification and deferral of payments. Following restructuring, a previously overdue customer account is reset to a normal status and managed together with other similar accounts. Restructuring policies and practices are based on indicators or criteria which, in the judgment of management, indicate that payment will most likely continue. These policies are kept under continual review.

There are no loans that would otherwise be past due or impaired, whose terms have been renegotiated.

(iii) The Group monitors concentrations of credit risk by sector and by geographic location. An analysis of concentrations of credit risk at the reporting date is shown below:

	The Group				
	2018				
	Cash and cash equivalents	Loans and notes receivable	Resale agreements	Investment securities	Total
	$'000	$'000	$'000	$'000	$'000
Concentration by sector					
Government of Jamaica	-	-	-	116,164,079	116,164,079
Other sovereign bonds	-	-	-	38,856,654	38,856,654
Bank of Jamaica	4,110,055	-	-	8,833,374	12,943,429
Corporate	-	25,818,470	-	27,625,449	53,443,919
Financial institutions	23,727,218	1,182,298	1,120,001	2,230,631	28,260,148
Retail	-	28,624,975	-	1,195,681	29,820,656
	27,837,273	**55,625,743**	**1,120,001**	**194,905,868**	**279,488,885**
Concentration by location					
Jamaica	13,947,223	31,368,041	1,120,001	137,155,716	183,590,981
North America	3,378,175	267,409	-	1,850,025	5,495,609
Trinidad and Tobago	8,776,175	21,708,818	-	22,139,380	52,624,373
Dominican Republic	1,645,513	1,937,597	-	28,133,937	31,717,047
Other	90,187	343,878	-	5,626,810	6,060,875
	27,837,273	**55,625,743**	**1,120,001**	**194,905,868**	**279,488,885**

28. Financial Risk Management (Continued)

(b) Credit risk (continued)

Exposure to credit risk (continued)

	The Group				
	2017				
	Cash and cash equivalents	Loans and notes receivable	Resale agreements	Investment securities	Total
	$'000	$'000	$'000	$'000	$'000
Concentration by sector					
Government of Jamaica	-	-	-	111,695,795	111,695,795
Other sovereign bonds	-	-	-	37,696,764	37,696,764
Bank of Jamaica	3,063,479	-	-	4,903,388	7,966,867
Corporate	-	20,113,191	-	15,076,939	35,190,130
Financial institutions	17,831,674	1,803,139	915,006	2,198,917	22,748,736
Retail	-	25,216,804	-	-	25,216,804
	20,895,153	47,133,134	915,006	171,571,803	240,515,096
Concentration by location					
Jamaica	8,803,724	24,438,256	915,006	126,275,409	160,432,395
North America	1,894,188	135,390	-	1,849,322	3,878,900
Trinidad and Tobago	7,598,973	20,582,029	-	19,270,138	47,451,140
Dominican Republic	2,403,079	1,785,779	-	22,604,756	26,793,614
Other	195,189	191,680	-	1,572,178	1,959,047
	20,895,153	47,133,134	915,006	171,571,803	240,515,096

	The Company				
	2018				
	Cash and cash equivalents	Loans and notes receivable	Resale agreements	Investment securities	Total
	$'000	$'000	$'000	$'000	$'000
Concentration by sector					
Financial institutions	1,090	5,821,425	9,484,200	19,556	15,326,271
Concentration by location					
Jamaica	1,090	5,194,825	9,484,200	19,556	14,699,671
Trinidad and Tobago	-	626,600	-	-	626,600
	1,090	5,821,425	9,484,200	19,556	15,326,271

28. Financial Risk Management (Continued)

(b) Credit risk (continued)

Exposure to credit risk (continued)

	The Company				
	2017				
	Cash and cash equivalents	Loans and notes receivable	Resale agreements	Investment securities	Total
	$'000	$'000	$'000	$'000	$'000
Concentration by sector					
Financial institutions	642	5,934,345	343,412	919,556	7,197,955
Concentration by location					
Jamaica	642	5,293,245	343,412	919,556	6,556,855
Trinidad and Tobago	-	641,100	-	-	641,100
	642	5,934,345	343,412	919,556	7,197,955

Collateral and other credit enhancements held against financial assets

The Group holds collateral against loans and advances to customers and others in the form of mortgage interests over property, other registered securities over other assets, and guarantees. Estimates of fair value are based on the value of collateral assessed at the time of borrowing, and generally are not updated except when a loan is individually assessed as impaired. Collateral generally is not held over balances with banks or broker/dealers, except when securities are held under resale agreements. Collateral is generally not held against investment securities.

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28. Financial Risk Management (Continued)

(b) Credit risk (continued)

Collateral and other credit enhancements held against financial assets (continued)

An estimate, made at the time of borrowing, of the fair value of collateral and other security enhancements held against loans to borrowers and others is shown below:

	The Group				The Company			
	Loans and notes receivable		Resale agreements		Loans and notes receivable		Resale agreements	
	2018	2017	2018	2017	2018	2017	2018	2017
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Against neither past due nor impaired financial assets:								
Cash secured	3,660,423	4,785,446	-	-	5,821,425	5,934,345	9,484,200	343,412
Property	18,325,743	22,248,080	-	-	-	-	-	-
Debt securities	6,519,984	5,299,408	1,120,001	934,173	-	-	-	-
Liens on motor vehicles	6,670,219	4,777,259	-	-	-	-	-	-
Equities	-	190,542	-	-	-	-	-	-
Other	2,514,479	6,357,081	-	-	-	-	-	-
Subtotal	**37,690,848**	**43,657,816**	**1,120,001**	**934,173**	**5,821,425**	**5,934,345**	**9,484,200**	**343,412**
Against past due but not impaired financial assets:								
Cash secured	225,493	93,705	-	-	-	-	-	-
Property	5,242,283	4,837,339	-	-	-	-	-	-
Liens on motor vehicles	1,546,764	1,064,882	-	-	-	-	-	-
Debt securities	168,447	817,425	-	-	-	-	-	-
Other	2,082,085	1,510,816	-	-	-	-	-	-
Subtotal	**9,265,072**	**8,324,167**	**-**	**-**	**-**	**-**	**-**	**-**
Against past due and impaired financial assets:								
Property	16,500,602	1,627,640	-	-	-	-	-	-
Liens on motor vehicles	185,821	54,751	-	-	-	-	-	-
Equities	104,471	-	-	-	-	-	-	-
Other	4,196,576	367,332	-	-	-	-	-	-
Subtotal	**20,987,470**	**2,049,723**	**-**	**-**	**-**	**-**	**-**	**-**
Total	**67,943,390**	**54,031,706**	**1,120,001**	**934,173**	**5,821,425**	**5,934,345**	**9,484,200**	**343,412**

28. Financial Risk Management (Continued)

(c) Liquidity risk

Liquidity risk is the risk that the Group is unable to meet the payment obligations associated with its financial liabilities when they fall due and to replace funds when they are withdrawn. The consequence may be the failure to meet obligations to repay depositors and fulfil loan commitments.

The Group is exposed to daily calls on its available cash resources from overnight placement of funds, maturing placement of funds and loan draw-downs. The Group does not maintain cash resources to meet all of these needs as experience shows that a minimum level of investment of maturing funds can be predicted with a high level of certainty.

The Group's approach to managing liquidity is to ensure, as far as possible, that it has sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Liquidity risk management process

The Group's liquidity management process includes:

(i) Monitoring future cash flows and liquidity on a daily basis. This incorporates an assessment of expected cash flows and the availability of high grade collateral which could be used to secure funding if required;

(ii) Maintaining a portfolio of highly marketable and diverse assets that can easily be liquidated as protection against any unforeseen interruption to cash flow;

(iii) Optimising cash returns on investments; and

(iv) Managing the concentration and profile of debt maturities.

Monitoring and reporting take the form of cash flow measurement and projections for the next day, week and month, respectively, as these are key periods for liquidity management. The starting point for those projections is an analysis of the contractual maturity of the financial liabilities and the expected collection date of the financial assets.

The maturities of assets and liabilities and the ability to replace, at an acceptable cost, interest-bearing liabilities as they mature, are important factors in assessing the liquidity of the Group and its exposure to changes in interest rates and exchange rates.

28. Financial Risk Management (Continued)

(c) Liquidity risk (continued)

The tables below present the residual contractual maturities of undiscounted cash flows (both interest and principal cash flows) of the Group's and the company's financial liabilities.

	2018				
	The Group				
	Within 3 Months	3 to 12 Months	1 to 5 Years	Contractual Cash Flow	Carrying Amount
	$'000	$'000	$'000	$'000	$'000
Financial Liabilities					
Customer deposits	24,589,936	14,799,725	13,634,622	53,024,283	52,165,066
Due to other banks	-	-	420,246	420,246	347,948
Securities sold under agreements to repurchase	106,142,637	39,306,844	14,797,609	160,247,090	158,167,289
Notes payable	4,074,686	138,859	24,281,509	28,495,054	27,561,706
Redeemable preference shares	356,848	2,475,677	23,499,570	26,332,095	17,843,757
Interest payable	1,385,823	-	-	1,385,823	1,385,823
Payables	3,178,736	-	-	3,178,736	3,178,736
	139,728,666	56,721,105	76,633,556	273,083,327	260,650,325

	2017				
	The Group				
	Within 3 Months	3 to 12 Months	1 to 5 Years	Contractual Cash Flow	Carrying Amount
	$'000	$'000	$'000	$'000	$'000
Financial Liabilities					
Customer deposits	29,776,612	6,272,519	13,613,201	49,662,332	49,087,517
Due to other banks	301	-	524,536	524,837	418,313
Securities sold under agreements to repurchase	108,001,514	46,851,241	4,313,204	159,165,959	156,647,595
Notes payable	21	-	4,597,009	4,597,030	4,525,306
Redeemable preference shares	-	-	9,018,707	9,018,707	8,837,821
Interest payable	1,158,780	-	-	1,158,780	1,158,780
Payables	2,446,790	-	-	2,446,790	2,446,790
	141,384,018	53,123,760	32,066,657	226,574,435	223,122,122

28. Financial Risk Management (Continued)

(c) Liquidity risk (continued)

	2018				
	The Company				
	Within 3 Months	3 to 12 Months	1 to 5 Years	Contractual Cash Flow	Carrying Amount
	$'000	$'000	$'000	$'000	$'000
Financial Liabilities					
Redeemable preference shares	-	-	16,563,052	16,563,052	16,374,398
Due to subsidiary	7,586,011	-	-	7,586,011	7,586,011
Interest payable	115,054	-	-	115,054	115,054
Payables	22,713	-	-	22,713	22,713
	7,723,778	-	16,563,052	24,286,830	24,098,176

	2017				
	The Company				
	Within 3 Months	3 to 12 Months	1 to 5 Years	Contractual Cash Flow	Carrying Amount
	$'000	$'000	$'000	$'000	$'000
Financial Liabilities					
Redeemable preference shares	-	-	7,461,646	7,461,646	7,368,462
Due to subsidiary	4,890,595	-	-	4,890,595	4,890,595
Interest payable	77,709	-	-	77,709	77,709
Payables	3,154	-	-	3,154	3,154
	4,971,458	-	7,461,646	12,433,104	12,339,920

(d) Market risk

The Group assumes market risk, which is the risk of changes in market prices, such as interest rates, equity prices, foreign exchange rates and commodity prices that will affect the Group's income or fair value of its financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing return on risk.

The overall responsibility for market risk management is vested in the Board Risk Management Committee. The Risk Department is responsible for the development of detailed risk management policies (subject to review and approval by the Board Risk Management Committee) and for the day-to-day review of their implementation.

The principal tool used to measure and control market risk exposures within the Group is Value at Risk (VaR). The VaR of a portfolio is the estimated loss that will arise on the portfolio over a specified period of time (the holding period) from an adverse market movement with a specified probability (confidence level). The VaR model used by the Group is based on a 99 percent confidence level and assumes a 10 day holding period. The VaR model used is based mainly on the Monte Carlo simulation model. Taking account of market data from the previous year and observed relationships between differences in market prices, the model generates a wide range of plausible future scenarios for market price movements.

28. Financial Risk Management (Continued)

(d) Market risk (continued)

Although VaR is an important tool for measuring market risk, the assumptions on which the model is based give rise to some limitations, including the following:

- A 10 day holding period assumes that it is possible to hedge or dispose of positions within that period. This is considered to be a reasonable assumption, but may not be the case in situations in which there is severe market illiquidity for a prolonged period;
- A 99% confidence level does not reflect losses that may occur beyond this level. Even within the model used, there is a one percent probability that losses could exceed the VaR;
- VaR is calculated on an end-of-day basis and does not reflect exposures that may arise on positions during the trading day;
- The use of historical data to determine the relationships between different market prices may not cover all possible scenarios, as these relationships may break down in times of market stress; and
- The VaR measure is dependent on the Group's positions and volatility of market prices. The VaR of an unchanged position reduces if the market prices volatility declines and vice-versa.

The Group uses VaR limits for its overall portfolio and for sub-portfolios. The overall structure of VaR limits is subject to review and approval by the Board Risk Management Committee. VaR is measured at least once daily. Daily reports of utilization of VaR limits are prepared by the Risk department and regular summaries submitted to the Board Risk Management Committee.

A summary of the VaR position of the Group's overall portfolio as at 31 March 2018 and during the year then ended is as follows:

	31 March	Average for Year	Maximum during Year	Minimum during Year
	$'000	$'000	$'000	$'000
2018 Overall VaR	3,938,439	2,522,346	8,192,010	755,688
2017 Overall VaR	2,239,790	5,981,726	12,410,350	1,636,423

The limitations of the VaR methodology are recognised by supplementing VaR limits with other position and sensitivity limit structures, including limits to address potential concentration of risks within the portfolio.

(i) Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group is exposed to foreign currency risk on transactions that it undertakes in foreign currencies that give rise to the net currency gains and losses recognised during the year. Such exposures comprise the assets and liabilities of the Group that are not denominated in its functional currency. The Group ensures that the risk is kept to an acceptable level by monitoring its value at risk exposure.

28. Financial Risk Management (Continued)

(d) Market risk (continued)

(i) Currency risk (continued)

At the reporting date, the Jamaica dollar equivalents of net foreign currency assets/(liabilities) were as follows:

	The Group	
	2018	2017
	$'000	$'000
United States dollars	9,104,949	(5,533,400)
Great Britain Pounds	33,369	(18,861)
Euros	83,677	47,740
Trinidad and Tobago dollars	329,202	277,225
Canadian dollars	319,777	41,169

Foreign currency sensitivity

The following tables indicate the currencies to which the Group and company had significant exposure on their monetary assets and liabilities and the estimated effect of changes in rates on profit for the year. The change in currency rates below represents management's assessment of a reasonably probable change in foreign exchange rates at the reporting date:

	The Group			
	2018		2017	
	Change in Currency Rate	Effect on Profit	Change in Currency Rate	Effect on Profit
	%	$'000	%	$'000
Currency:		**$'000**		
USD	4	364,198	6	(332,004)
GBP	4	1,335	6	(1,132)
EUR	4	3,347	6	2,864
TT	4	13,168	6	16,634
CAD	4	12,791	6	2,470
		394,839		(311,168)

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28. Financial Risk Management (Continued)

(d) Market risk (continued)

(ii) Interest rate risk

Interest rate risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Floating rate instruments expose the Group to cash flow interest risk, whereas fixed interest rate instruments expose the Group to fair value interest risk.

The following tables summarise the Group's and the company's exposures to interest rate risk and the possible effect to earnings. It includes the Group's and the company's financial instruments at carrying amounts, categorised by the earlier of contractual repricing or maturity dates.

	2018					
	The Group					
	Within 3 Months	3 to 6 Months	6 to 12 Months	1 to 5 Years	Non-Interest Bearing	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Financial Assets						
Cash and cash equivalents	27,837,273	-	-	-	-	27,837,273
Interest receivable	-	-	-	-	3,429,115	3,429,115
Loans and notes receivable	11,177,626	2,244,563	15,313,611	25,575,063	1,314,880	55,625,743
Other receivables	-	-	-	-	2,055,252	2,055,252
Securities purchased under agreements to resell	1,120,001	-	-	-	-	1,120,001
Investment securities	24,851,003	2,197,181	1,260,973	163,918,958	2,677,753	194,905,868
Total financial assets	64,985,903	4,441,744	16,574,584	189,494,021	9,477,000	284,973,252
Financial Liabilities						
Deposits	22,086,993	19,535,146	2,858,857	2,156,609	5,527,461	52,165,066
Due to other financial institutions	-	-	-	347,948	-	347,948
Securities sold under agreements to repurchase	105,588,901	19,621,040	23,355,461	9,601,887	-	158,167,289
Notes payable	3,982,716	-	-	23,578,990	-	27,561,706
Redeemable preference shares	623,624	1,469,359	-	15,750,774	-	17,843,757
Interest payable	-		-	-	1,385,823	1,385,823
Other payables	-	-	-	-	3,178,736	3,178,736
Total financial liabilities	132,282,234	40,625,545	26,214,318	51,436,208	10,092,020	260,650,325
Total interest rate sensitivity gap	(67,296,331)	(36,183,801)	(9,639,734)	138,057,813	(615,020)	24,322,927
Cumulative interest rate sensitivity gap	(67,296,331)	(103,480,132)	(113,119,866)	24,937,947	24,332,927	

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28. Financial Risk Management (Continued)

(d) Market risk (continued)

(ii) Interest rate risk (continued)

	2017					
	The Group					
	Within 3 Months	3 to 6 Months	6 to 12 Months	1 to 5 Years	Non-Interest Bearing	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Financial Assets						
Cash and cash equivalents	20,895,153	-	-	-	-	20,895,153
Interest receivable	-	-	-	-	2,941,556	2,941,556
Loans and notes receivable	23,833,413	57,222	2,966,780	18,783,914	1,491,805	47,133,134
Other receivables	-	-	-	-	1,545,162	1,545,162
Securities purchased under agreements to resell	915,006	-	-	-	-	915,006
Investment securities	13,289,304	25,287	476,227	155,070,853	2,710,132	171,571,803
Total financial assets	58,932,876	82,509	3,443,007	173,854,767	8,688,655	245,001,814
Financial Liabilities						
Deposits	37,165,481	-	5,349,876	1,422,945	5,149,215	49,087,517
Due to other financial institutions	299	-	-	418,014	-	418,313
Securities sold under agreements to repurchase	107,399,909	13,883,293	31,267,649	4,096,744	-	156,647,595
Notes payable	2,444,259	-	-	2,081,047	-	4,525,306
Redeemable preference shares	5,293,245	-	3,544,576	-	-	8,837,821
Interest payable	-	-	-	-	1,158,780	1,158,780
Other payables	-	-	-	-	2,446,790	2,446,790
Total financial liabilities	152,303,193	13,883,293	40,162,101	8,018,750	8,754,785	223,122,122
Total interest rate sensitivity gap	(93,370,317)	(13,800,784)	(36,719,094)	165,836,017	(66,130)	21,879,692
Cumulative interest rate sensitivity gap	(93,370,317)	(107,171,101)	(143,890,195)	21,945,822	21,879,692	

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28. Financial Risk Management (Continued)

(d) Market risk (continued)

(ii) Interest rate risk (continued)

	2018					
	The Company					
	Within 3 Months	3 to 6 Months	6 to 12 Months	1 to 5 Years	Non-Interest Bearing	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Financial Assets						
Cash and cash equivalents	1,090	-	-	-	-	1,090
Interest receivable	-	-	-	-	106,507	106,507
Loans and notes receivable	-	5,821,425	-	-	-	5,821,425
Other receivables	-	-	-	-	36,333	36,333
Securities purchased under agreements to resell	9,484,200	-	-	-	-	9,484,200
Investment securities	-	-	-	-	19,556	19,556
Total financial assets	9,485,290	5,821,425	-	-	162,396	15,469,111
Financial Liabilities						
Redeemable preference shares	-	1,469,359	-	14,905,039	-	16,374,398
Interest payable	-	-	-	-	115,054	115,054
Other payables	-	-	-	-	22,713	22,713
Due to subsidiary	-	-	-	-	7,586,011	7,586,011
Total financial liabilities	-	1,469,359	-	14,905,039	7,723,778	24,098,176
Total interest rate sensitivity gap	9,485,290	4,352,066	-	(14,905,039)	(7,561,382)	(8,629,065)
Cumulative interest rate sensitivity gap	9,485,290	13,837,356	13,837,356	(1,067,683)	(8,629,065)	

	2017					
	The Company					
	Within 3 Months	3 to 6 Months	6 to 12 Months	1 to 5 Years	Non-Interest Bearing	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Financial Assets						
Cash and cash equivalents	642	-	-	-	-	642
Interest receivable	-	-	-	-	73,957	73,957
Loans and notes receivable	-	5,934,345	-	-	-	5,934,345
Other receivables	-	-	-	-	13,960	13,960
Securities purchased under agreements to resell	343,412	-	-	-	-	343,412
Investment securities	-	900,648	-	-	18,908	919,556
Total financial assets	344,054	6,834,993	-	-	106,825	7,285,872
Financial Liabilities						
Redeemable preference shares	-	-	-	7,368,462	-	7,368,462
Interest payable	-	-	-	-	77,709	77,709
Other payables	-	-	-	-	3,154	3,154
Due to subsidiary	-	-	-	-	4,890,595	4,890,595
Total financial liabilities	-	-	-	7,368,462	4,971,458	12,339,920
Total interest rate sensitivity gap	344,054	6,834,993	-	(7,368,462)	(4,864,633)	(5,054,048)
Cumulative interest rate sensitivity gap	344,054	7,179,047	7,179,047	(189,415)	(5,054,048)	

28. Financial Risk Management (Continued)

(d) Market risk (continued)

(ii) Interest rate risk (continued)

Interest rate sensitivity

The following table indicates the sensitivity to a reasonable probable change in interest rates, with all other variables held constant, on the Group's interest income in the profit or loss account and gains recognised in other comprehensive income.

The sensitivity of the profit or loss is the effect of the assumed changes in interest rates on net profit based on the floating rate financial assets and financial liabilities. The sensitivity of stockholders' equity is calculated by revaluing fixed and variable rate available-for-sale financial assets for the gross effects of the assumed changes in interest rates. The correlation of a number of variables will have an impact on market risk. Movements in these variables are non-linear and are assessed individually.

	The Group			
	2018		2017	
	Effect on Profit	Effect on Equity	Effect on Profit	Effect on Equity
	2018	2018	2017	2017
	$'000	$'000	$'000	$'000
Change in basis points				
JMD/USD				
-100/-50 (2017: -100/-50)	(219,944)	6,422,395	(212,947)	5,585,006
+100/+50 (2017:+100/+100)	223,326	(9,102,986)	208,892	(8,041,340)

(iii) Equity price risk

Equity price risk arises on equity securities held by the Group as part of its investment portfolio. Management monitors the mix of debt and equity securities in its investment portfolio based on market expectations. The primary goal of the Group's investment strategy is to maximize investment returns while managing risk so as to minimise potential adverse effects on the Group's financial performance.

The Group's equity securities are listed on the Jamaica and Trinidad and Tobago stock exchanges. A 15% (2017: 5%) increase or decrease in quoted bid prices at the reporting date would result in an increase or decrease, respectively, in equity of $140,345,000 (2017: $69,882,000) for the Group.

28. Financial Risk Management (Continued)

(e) Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Group's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the Group's operations.

The Group's objective is to manage operational risks so as to balance the avoidance of financial losses and damage to the Group's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within each business unit. This responsibility is supported by the development of overall standards for the management of operational risk in the following areas:

- requirement for appropriate segregation of duties, including the independent authorisation of transactions;
- requirements for the reconciliation and monitoring of transactions;
- compliance with regulatory and other legal requirements;
- documentation of controls and procedures; and
- requirements for the periodic assessment of operational risks faced and the adequacy of controls and procedures to address the risks identified;
- requirements for the reporting of operational losses and proposed remedial action;
- development of a contingency plan; and
- risk mitigation, including insurance where this is effective.

Compliance with the Group's standards is supported by a programme of periodic reviews undertaken by Internal Audit. The results of internal audit reviews are discussed with the management of the business unit to which they relate, with summaries submitted to senior management and the Audit Committee.

28. Financial Risk Management (Continued)

(f) Capital management

The Company and its subsidiaries have regulatory oversight from several regulators that impose capital requirements for various entities.

The objectives when managing capital, which is a broader concept than the 'equity' on the face of the statement of financial position, are:

(i) To comply with the capital requirements set by the regulators of the financial markets where the entities within the Group operate;

(ii) To safeguard the Group's ability to continue as a going concern so that it can continue to provide returns for stockholders and benefits for other stakeholders; and

(iii) To maintain a strong capital base to support the development of its business.

Capital adequacy and the use of regulatory capital are monitored monthly by the Group's management based on the guidelines developed by the Group's regulators and the Risk Management Unit. The required information is filed with the respective Regulatory Authorities at stipulated intervals.

The regulated authorities require each regulated entity to:

(i) Hold the minimum level of the regulatory capital; and

(ii) Maintain a minimum ratio of total regulatory capital to the risk-weighted assets.

Certain subsidiaries' regulatory capital is divided into two tiers:

(i) Tier 1 capital: share capital, share premium, retained earnings, investment revaluation reserve and cumulative translation reserve.

(ii) Tier 2 capital: redeemable preference shares and investment revaluation reserve.

The risk-weighted assets are determined according to specified requirements that seek to reflect the varying levels of risk attached to assets and off-balance sheet exposures.

The regulated companies within the Group with prescribed capital requirements are Jamaica Money Market Brokers Limited (JMMB), JMMB Securities Limited (JMMBSL), JMMB Fund Managers Limited (JMMBFM), JMMB Insurance Brokers Limited (JMMBIB), JMMB Money Transfer Limited (JMMBMT), JMMB Puesto de Bolsa, Banco Rio De Ahorro Y Credito JMMB Bank S.A (JMMBBR), JMMB Sociedad Administradora De Fondos De Inversion, S.A. (SAFI), JMMB Bank (Jamaica) Limited (JMMBBJL) [formerly JMMB Merchant Bank Limited (JMMBMB)], JMMB Bank (T&T) Limited (JMMBBTT), Intercommercial Trust and Merchant Bank Limited (ITMBL), JMMB Investment (Trinidad and Tobago) Limited (JMMBITT) and JMMB Securities (T&T) (JMMBSTT).

The table and notes below summarise the composition of regulatory capital and the ratios of the regulated companies within the Group for the years ended 31 March 2018 and 31 March 2017.

There have been no material changes in the Group's management of capital during the year.

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28. Financial Risk Management (Continued)

(f) Capital management (continued)

	JMMB		JMMBSL		JMMBIB	
	2018	**2017**	**2018**	**2017**	**2018**	**2017**
	J$'000	**J$'000**	**J$'000**	**J$'000**	**J$'000**	**J$'000**
Regulatory capital –						
Tier 1 capital	16,734,971	16,091,617	494,972	524,526	98,848	90,906
Tier 2 capital	5,194,825	5,603,408	29,337	6,470	-	-
Total regulatory capital	21,929,796	21,695,025	524,309	530,996	98,848	90,906
Risk-weighted assets –						
On-balance sheet	128,166,976	124,056,531	924,885	719,652	-	-
Foreign exchange exposure	6,401,175	9,345,749	492,425	352,713	-	-
Total risk-weighted assets	134,568,151	133,402,280	1,417,310	1,072,365	-	-
Actual regulatory capital to risk weighted assets	16%	16%	37%	50%	-	-
Required regulatory capital to risk weighted assets	10%	10%	10%	10%	-	-

	ITMBL		JMMBBTT		JMMBBJL	
	2018	**2017**	**2018**	**2017**	**2018**	**2017**
	TT$'000	**TT$'000**	**TT$'000**	**TT$'000**	**J$'000**	**J$'000**
Regulatory capital –						
Tier 1 capital	24,248	23,934	166,690	129,130	6,116,022	5,634,880
Tier 2 capital	170	326	95,261	77,444	263,671	187,471
Total regulatory capital	24,418	24,260	261,951	206,574	6,379,693	5,822,351
Total required capital	-	-	-	-	3,885,674	3,527,902
Risk-weighted assets –						
On balance sheet	13,177	15,982	1,150,663	1,065,372	33,570,522	29,929,071
Off balance sheet	-	-	-	-	4,121,195	3,435,211
Foreign exchange exposure	-	-	-	-	1,165,024	1,914,738
	13,177	15,982	1,150,663	1,065,372	38,856,741	35,279,020
Actual regulatory capital to risk weighted assets	185%	152%	23%	19%	16%	17%
Required regulatory capital to risk weighted assets	10%	10%	10%	10%	10%	10%

28. Financial Risk Management (Continued)

(f) Capital management (continued)

	JMMBFM	
	2018	2017
	$'000	$'000
Tier 1 capital	527,597	455,594
Tier 2 capital	-	-
Actual regulatory capital	527,597	455,594
Required level of regulatory capital	104,742	77,905
Total risk-weighted assets	748,159	556,462
Tier one capital ratio to risk-weighted assets capital	71%	82%

(i) The capital requirement for JMMBIB is to maintain a minimum capital base of $10 million.

(ii) The capital requirement for JMMB Puesto de Bolsa S.A. is RD$153 million.

(iii) The capital requirement of JMMB Investments (Trinidad and Tobago) Limited and JMMB Securities (T&T) Limited is to maintain a minimum capital base of TT15 million and TT6 million respectively.

(iv) The capital requirement for JMMB Sociedad Administradora De Fondos De Inversion, S.A. (SAFI) is to maintain a minimum capital base of RD$15 million or at least 1% of the ratio of total asset to funds under management (AUM/Capital).

(v) The capital requirement for AFP JMMB BDI S.A. is to maintain a minimum capital base of RD$10 million.

(vi) The capital requirement for Banco Rio De Ahorro Y Credito JMMB Bank S.A is to maintain a minimum capital to risk weighted asset (CAR) in excess of 10%. The company's CAR at 31 March was 13.3%.

The regulated entities within the Group have complied with all externally imposed capital requirements throughout the year.

29. Financial Instruments – Fair Value

(a) Definition and measurement of fair values

The Group's accounting policies on measurement and disclosure require the measurement of fair values for financial assets and financial liabilities. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

When measuring fair value of an asset or liability, where a quoted market price is available, fair value is computed by the Group using the quoted bid price at the reporting date, without any deduction for transaction costs or other adjustments. Where a quoted market price is not available, fair value is computed using alternative techniques, making use of available input data; the Group uses observable data as far as possible. Fair values are categorised into different levels in a three-level fair value hierarchy, based on the degree to which the inputs used in the valuation techniques are observable. The different levels in the hierarchy have been defined as follows:

Level 1 refers to financial assets and financial liabilities that are measured by reference to published quotes in an active market. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis.

Level 2 refers to financial assets and financial liabilities that are measured using a valuation technique based on assumptions that are supported by prices from observable current market transactions, and for which pricing is obtained via pricing services, but where prices have not been determined in an active market. This includes financial assets with fair values based on broker quotes, investments in funds with fair values obtained via fund managers, and assets that are valued using a model whereby the majority of assumptions are market observable.

Level 3 refers to financial assets and financial liabilities that are measured using non-market observable inputs. This means that fair values are determined in whole or in part using a valuation technique (model) based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

There were no transfers between levels during the year.

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29. Financial Instruments - Fair Value (Continued)

(b) Techniques for measuring fair value of financial instruments

Type of Financial Instrument	Method of estimating fair value
Cash and cash equivalents, other receivables, resale agreements, accounts payable, repurchase agreements, Bank of Jamaica certificates of deposit	Considered to approximate their carrying values, due to their short-term nature.
Quoted securities	Bid prices quoted by the relevant stock exchanges.
Units in unit trusts	Prices quoted by unit trust managers
Non-Jamaican sovereign bonds and corporate bonds	Estimated using bid-prices published by major overseas brokers.
Government of Jamaica securities:	
Traded overseas	Estimated using bid-prices published by major overseas brokers.
Other	Estimated using mid-market prices from the Jamaica Securities Dealers Association yield curve.
Interest in money market fund	Considered to be the carrying value because of the short-term nature and variable interest rate.
Loans and notes receivable	Considered to be carrying value as the coupon rates approximate the market rates.
Notes payable	Considered to be carrying value as the coupon rates approximate the market rates.

(c) Accounting classifications and fair values

The following table shows the classification of financial assets and financial liabilities and their carrying amounts.

Where the carrying amounts of financial assets and financial liabilities are measured at fair value, their levels in the fair value hierarchy are also shown. Where the carrying amounts of financial assets and financial liabilities are not measured at fair value, and those carrying amounts are a reasonable approximation of fair value, fair value information (including amounts, and levels in the fair value hierarchy) is not disclosed.

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29. Financial Instruments - Fair Value (Continued)

(c) Accounting classifications and fair values (continued)

	The Group							
	2018							
	Carrying amount					Fair value		
	Loans and receivables $'000	Available-for-sale $'000	At fair value through profit & loss account $'000	Held to maturity $'000	Total $'000	Level 1 $'000	Level 2 $'000	Total $'000
Financial assets measured at fair value								
Government of Jamaica securities	-	101,977,287	-	-	101,977,287	-	101,977,287	101,977,287
Certificates of deposit	-	9,030,982	-	-	9,030,982	-	9,030,982	9,030,982
Government of Jamaica guaranteed	-	3,174,475	-	-	3,174,475	-	3,174,475	3,174,475
Corporate bonds	-	18,579,588	721,494	-	19,301,082	-	19,301,082	19,301,082
Foreign Government Securities	-	43,661,025	615,629	-	44,276,654	-	44,276,654	44,276,654
Ordinary shares quoted	-	1,036,332	231,145	-	1,267,477	1,267,477	-	1,267,477
Units in unit trusts	-	286,429	-	-	286,429	-	286,429	286,429
Money market funds	-	944,003	-	-	944,003	-	944,003	944,003
Other	-	447,328	-	-	447,328	-	447,328	447,328
	-	**179,137,449**	**1,568,268**	**-**	**180,705,717**	**1,267,477**	**179,438,240**	**180,705,717**
Financial assets not measured at fair value								
Certificate of deposits	648	-	-	-	648	-	648	648
Government of Jamaica Securities	11,062,317	-	-	-	11,062,317	-	12,458,448	12,458,448
Sovereign bonds	239,312	-	-	368,732	608,044	-	441,618	441,618
Government of Jamaica guaranteed	2,746,513	-	-	-	2,746,513	-	2,953,792	2,953,792
Other	145,497	-	-	-	145,497	-	145,497	145,497
	14,194,287	**-**	**-**	**368,732**	**14,563,019**	**-**	**16,000,003**	**16,000,003**

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29. Financial Instruments - Fair Value (Continued)

(c) Accounting classifications and fair values (continued)

	The Group							
	2017							
	Carrying amount					Fair value		
	Loans and receivables $'000	Available-for-sale $'000	At fair value through profit & loss account $'000	Held to maturity $'000	Total $'000	Level 1 $'000	Level 2 $'000	Total $'000
Financial assets measured at fair value								
Government of Jamaica securities	-	97,061,290	-	-	97,061,290	-	97,061,290	97,061,290
Certificates of deposit	-	5,009,441	-	-	5,009,441	-	5,009,441	5,009,441
Government of Jamaica guaranteed	-	4,675,555	-	-	4,675,555	-	4,675,555	4,675,555
Corporate bonds	-	13,033,897	416,038	-	13,449,935	-	13,449,935	13,449,935
Foreign Government Securities	-	31,072,165	47,075	-	31,119,240	-	31,119,240	31,119,240
Ordinary shares quoted	-	422,491	445,331	-	867,822	867,822	-	867,822
Units in unit trusts	-	162,198	-	-	162,198	-	162,198	162,198
Money market funds	-	1,376,520	-	-	1,376,520	-	1,376,520	1,376,520
Other	-	88,992	-	-	88,992	-	88,992	88,992
	-	**152,902,549**	**908,444**	**-**	**153,810,993**	**867,822**	**152,943,171**	**153,810,993**
Financial assets not measured at fair value								
Government of Jamaica Securities	14,492,680	-	-	-	14,492,680	-	17,556,076	17,556,076
Sovereign bonds	240,597	-	-	57,060	297,657	-	123,091	123,091
Government of Jamaica guaranteed	3,101,770	-	-	-	3,101,770	-	3,296,304	3,296,304
Other	161,812	-	-	-	161,812	-	161,812	161,812
	17,996,859	**-**	**-**	**57,060**	**18,053,919**	**-**	**21,137,283**	**21,137,283**

29. Financial Instruments - Fair Value (Continued)

(c) Accounting classifications and fair values (continued)

	The Company	
	2018	
	Carrying amount	Fair value
	Available for-sale $'000	Level 2 $'000
Financial assets measured at fair value		
Certificates of deposit	648	648
Ordinary shares unquoted	18,908	18,908
	19,556	**19,556**

	The Company	
	2017	
	Carrying amount	Fair value
	Available for-sale $'000	Level 2 $'000
Financial assets measured at fair value		
Certificates of deposit	900,648	900,648
Ordinary shares unquoted	18,908	18,908
	919,556	**919,556**

30. Post-employment Benefits

Pensions are the only post-employment benefits to which the Group is committed. To better secure the payment of promised benefits, a subsidiary company operates a defined-contribution pension fund for the Group's Jamaican employees who have satisfied certain minimum service requirements. The fund is financed by equal contributions of employer and employees of 5% of pensionable salaries with an option for employees to contribute up to an additional 10% of pensionable salaries.

The fund is administered by trustees and the assets are held separately from those of the Group. Under the rules of the Fund, an actuarial valuation should be carried out by the appointed actuaries every three years. An actuarial valuation of the fund was done as at 31 December 2014 by ACTMAN International Limited, independent actuaries. The valuation report revealed a funding surplus.

The pension benefit is the annuity that can be purchased by the amount standing to the credit of the member's account at the date of retirement.

The Trinidadian subsidiaries operate a two tiered defined contribution plan which is in compliance with the provisions of the Income Tax Act of Trinidad & Tobago section 134(6). Under the terms of employment, the entities are obligated to contribute on behalf of all eligible employees an amount of 10% of the employees' pensionable salary directly to the plan. In addition, all eligible employees contribute an amount of 5% of their pensionable salary to individual annuities.

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30. Post-employment Benefits (Continued)

Eligible employees of the Dominican Republic subsidiaries contribute an amount of 2.87% of their pensionable salaries to various authorised pension plans. Employers contribute a corresponding 7.10%.

The contributions for the year amounted to $198,856,000 (2017: $172,107,000) for the Group.

31. Managed Funds

The Group acts as agent and earns fees for managing clients' and investment funds on a non-recourse basis under management agreements. This includes some of the assets of the Group's pension fund (Note 30). Although the Group is the custodian of the securities in which the clients participate, it has no legal or equitable right or interest in these securities. Accordingly, the securities in which the clients' funds are invested have been excluded from these financial statements.

At 31 March 2018, funds managed in this way by the Group amounted to $118,466,786,000 (2017:$ 88,662,224,000) which includes assets of the Group's pension fund (Note 30), amounting to $3,012,250,000 (2017: $2,572,052,000). The Group's financial statements include the following assets/(liabilities) relating to the funds:

	The Group	
	2018	2017
	$'000	$'000
Investments	906,300	802,061
Interest payable	(3,268)	(2,459)
Securities sold under agreements to repurchase	(23,699,815)	(42,107,145)
Customer deposits	(3,058,961)	(3,019,652)

32. Commitments

(i) Endowment Fund

The JMMB Group and the JMMB Joan Duncan Foundation established an endowment Fund ("the Fund") of US$1 million which will be administered by the University of the West Indies and Mona school of Business and Management. The main purpose of the Fund is to provide scholarships, bursaries, student training and development, academic staff development and case writing. Disbursements to the Fund are being made over a period of six years.

(ii) Operating Leases

The Group has entered into several lease agreements for rental of offices. The amount charged to profit or loss during the year is $348,581,000 (2017: $375,830,000).

As at 31 March 2018, the Group is committed to make future lease payments as follows:

	The Group	
	2018	2017
	$'000	$'000
Less than one year	367,073	375,830
Between one and five years	1,076,656	1,126,742
More than five years	264,132	467,281
	1,707,861	1,969,853

33. Change in Accounting Policies

Except for the changes below, the Group has consistently applied the accounting policies set out in note 34 to all periods presented in these financial statements.

Certain new and amended standards came into effect during the current financial year. The Group has assessed them and has adopted those which are relevant to its financial statements.

- Amendments to IAS 7, *Statement of Cash Flows*, requires an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash flows.

- Amendments to IAS 12, *Income Taxes*, clarifies the following:

  - The existence of a deductible temporary difference depends solely on a comparison of the carrying amount of an asset and its tax base at the end of the reporting period, and is not affected by possible future changes in the carrying amount or expected manner of recovery of the asset.
  - A deferred tax asset can be recognised if the future bottom line of the tax return is expected to be a loss, if certain conditions are met.
  - Future taxable profits used to establish whether a deferred tax can be recognised should be the amount calculated before the effect of reversing temporary differences.
  - An entity can assume that it will recover an asset for more than its carrying amount if there is sufficient evidence that it is probable that the entity will achieve this.
  - Deductible temporary differences related to unrealised losses should be assessed on a combined basis for recognition unless a tax law restricts the use of losses to deductions against income of a specific type.

The adoption of these amendments did not result in any change to the amounts recognised or disclosed in the financial statements.

34. Significant Accounting Policies

Except for the changes explained in note 33, the Group has consistently applied the following accounting policies to all periods presented in these financial statements.

(a) 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.

34. Significant Accounting Policies (Continued)

(a) Basis of consolidation (continued)

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 or 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 interest (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) Financial instruments

General

A financial instrument is any contract that gives rise to a financial asset of one enterprise and financial liability or equity instrument of another enterprise.

(i) Classification of financial instruments

Financial instruments are classified, recognised and measured in accordance with the substance of the terms of the contracts as set out herein.

34. Significant Accounting Policies (continued)

(b) Financial instruments (continued)

General (continued)

(i) Classification of financial instruments

Management determines the appropriate classification of investments at the time of purchase, taking account of the purpose for which the investments were purchased. The Group classifies non-derivative financial assets into the following categories:

Loans and receivables: This comprises securities acquired, loans granted with fixed or determinable payments and which are not quoted in an active market.

Held-to-maturity: This comprises securities with fixed or determinable payments and fixed maturities that the Group has the positive intent and ability to hold to maturity.

Fair value through profit or loss: This comprises securities that the Group acquires for the purpose of selling or repurchasing in the near term, or that it holds as part of a portfolio that is managed together for short-term profit or position taking, or that it designates as such at the time of acquisition.

Available-for-sale: The Group's financial instruments included in this classification are securities with prices quoted in an active market or for which the fair values are otherwise determinable, and which are designated as such upon acquisition or not classified in any of the other categories.

(ii) Recognition and derecognition - non-derivative financial assets and financial liabilities

The Group recognises a financial instrument when it becomes a party to the contractual terms of the instrument.

The Group initially recognises loans and receivables and debt securities on the date when they are originated. All other financial assets and financial liabilities are initially recognised on the trade date.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains all or substantially all the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognised financial assets that is created or retained by the Group is recognised as a separate asset or liability.

The Group derecognises a financial liability when its contractual obligations expire or are discharged or cancelled.

34. Significant Accounting Policies (Continued)

(b) Financial instruments (continued)

General (continued)

(iii) Measurement and gains and losses - Non-derivative financial assets

Loans and receivables: On initial recognition these are measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost, using the effective interest method, less impairment losses. Where securities classified as loans and receivables become quoted in an active market, such securities will not be reclassified as available-for-sale securities. An active market is one where quoted prices are readily and regularly available from an exchange, dealer, broker or other agency and those prices represent actual and regularly occurring market transactions on an arm's length basis.

Held-to-maturity: On initial recognition these are measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost, using the effective interest method, less impairment losses. Any sale or reclassification of a significant amount of held-to-maturity investments that are not close to their maturity would result in the reclassification of all held-to-maturity investments as available-for-sale, and prevent the Group from classifying investment securities as held-to-maturity for the financial year in which the sale or reclassification occurs and the following two financial years.

Financial assets at fair value through profit or loss: On initial recognition these are measured at fair value, with directly attributable transaction costs recognised in profit or loss as incurred. Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value and changes therein, as well as any interest or dividend income, are recognised in profit or loss.

Available-for-sale: On initial recognition, these are measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at fair value, with unrealised gains and losses arising from changes in fair value treated as follows:

- Changes in the fair value of monetary securities denominated in a foreign currency and classified as available-for-sale are analysed between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. The translation differences are recognised in profit or loss. Changes in the fair value of securities classified as available-for-sale are recognised in other comprehensive income.
- When securities classified as available-for-sale are sold or impaired, and therefore derecognised, the fair value adjustments accumulated in other comprehensive income are reclassified to profit or loss.

(i) Cash and cash equivalents

Cash comprises cash in hand, demand and call deposits with banks and very short-term balances with other brokers/dealers. Cash equivalents are highly liquid financial assets that are readily convertible to known amounts of cash (that is, with original maturities of less than three months), which are subject to insignificant risk of changes in value, and are used for the purpose of meeting short-term commitments. Cash and cash equivalents are measured at cost.

Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

34. Significant Accounting Policies (Continued)

(b) Financial instruments (continued)

(iii) Measurement and gains and losses - Non-derivative financial assets (continued)

(ii) Investment securities

Investment securities are classified, recognised/derecognised and measured in the manner set out for financial assets under “General” in this note 34(b) above.

(iii) Resale and repurchase agreements

Transactions involving purchases of securities under resale agreements (‘resale agreements’ or reverse repos’) or sales of securities under repurchase agreements (‘repurchase agreements’ or ‘repos) are accounted for as short-term collateralised lending and borrowing, respectively. Accordingly, securities sold under repurchase agreements remain on the statement of financial position and are measured in accordance with their original measurement principles. The proceeds of sale are reported as liabilities and are carried at amortised cost. Securities purchased under resale agreements are reported not as purchases of the securities, but as receivables and are carried in the statement of financial position at amortised cost. It is the policy of the Group to obtain possession of collateral with a market value in excess of the principal amount loaned under resale agreements.

Interest earned on resale agreements and interest incurred on repurchase agreements is recognised as interest income and interest expense, respectively, over the life of each agreement using the effective interest method.

(iv) Loans and notes receivable and other receivables

Loans and notes receivable and other receivables are measured at amortised cost less allowance for impairment.

An allowance for credit losses is established if there is objective evidence that a loan is impaired. A loan is considered impaired when management determines that it is probable that all amounts due will not be collected according to the original contractual terms.

When a loan has been identified as impaired, the carrying amount of the loan is reduced by recording specific allowances for credit losses to its estimated recoverable amount, which is the present value of expected future cash flows including amounts recoverable from guarantees and collateral, discounted at the original effective interest rate of the loan.

For non-performing and impaired loans, the accrual of interest income based on the original terms of the loan is discontinued. Jamaican banking regulations require that interest on non-performing loans be taken into account on the cash basis. IFRS require that interest income on non-performing loans be accrued, to the extent collectible, and that the increase in the present value of impaired loans due to the passage of time be reported as interest income. The difference between the Jamaican regulatory basis and IFRS was assessed to be immaterial.

Write-offs are made when all or part of a loan is deemed uncollectible or is forgiven. Write-offs are charged against previously established provisions for credit losses and reduce the principal amount of a loan.

34. Significant Accounting Policies (Continued)

(b) Financial instruments (continued)

(iii) Measurement and gains and losses - Non-derivative financial assets (continued)

(iv) Loans and notes receivable and other receivables (continued)

Recoveries in part or in full of amounts previously written-off are credited to provision for credit losses in arriving at profit or loss for the year.

Statutory and other regulatory loan loss reserve requirements that exceed the amounts required under IFRS are dealt with in a non-distributable loan loss reserve as an appropriation of retained earnings.

(v) Account payable

Accounts payable are measured at amortised cost.

(vi) Interest-bearing borrowings

Interest-bearing borrowings [other than repos, which are described in Note 34(b)(iii)] are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are measured at amortised cost, with any difference between cost and redemption recognised in the profit or loss over the period of the borrowings on an effective yield basis.

(vii) Embedded derivatives

Derivatives may be embedded in another contractual arrangement (a host contract). The Group accounts for an embedded derivative separately from the host contract when the host contract is not itself carried at fair value through profit or loss. Separated embedded derivatives are measured at fair value, with all changes in fair value recognised in profit or loss. Separated embedded derivatives are presented in the statement of financial position together with the host contract.

(c) Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset.

The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that future economic benefits embodied within the part flow to the Group and its cost can be measured reliably. The costs of day-to-day servicing of property, plant and equipment are recognised in profit or loss.

(expressed in Jamaican dollars unless otherwise indicated)

34. Significant Accounting Policies (Continued)

(c) Property, plant and equipment (continued)

Property, plant and equipment, with the exception of freehold land and paintings, on which no depreciation is provided, are depreciated on the straight-line basis at annual rates estimated to write down the assets to their residual values over their expected useful lives. The depreciation rates are as follows:

Freehold buildings	2½% - 5%
Leasehold improvements	The shorter of the estimated useful life and the period of the lease
Motor vehicles	20%
Computer equipment	20% - 25%
Other equipment, furniture and fittings	10% - 20%

The depreciation method, useful lives and residual values are reassessed at each reporting date.

(d) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Intangible assets acquired in a business combination are recognised at fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and impairment losses. Internally generated intangible assets, excluding capitalised development costs meeting the criteria of IAS 38, are not capitalised and the expenditure is charged against profits in the year in which the expenditure is incurred. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period for an intangible asset with a finite useful life is reviewed at a minimum at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period and treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in profit or loss. Intangible assets with infinite useful lives are measured at cost less impairment losses. They are assessed for impairment at least annually.

(i) Computer software

Computer software is measured at cost, less accumulated amortisation and impairment losses. Amortisation is charged on the straight-line basis over the useful lives of the assets ranging from 20% to 25% per annum, from the date it is available for use.

(ii) Goodwill

Goodwill represents the excess of the cost of the acquisition over the Group’s interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree. When the cost is less than the fair value (negative goodwill), it is recognised immediately in profit or loss. Goodwill is measured at cost less accumulated impairment losses and is assessed for impairment at least annually.

(iii) Customer lists and core deposits

Acquired customer lists are measured initially at historical cost. Customer lists have a finite useful life and are measured at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost over the expected retention period with the Group, which ranges from 8 to 15 years.

34. Significant Accounting Policies (Continued)

(d) Intangible assets (continued)

(iv) Licences

These assets represent the value of JMMB Securities Limited's seat on the Jamaica Stock Exchange and the banking licence and securities licence acquired for JMMB Bank (T&T) Limited and JMMB Securities (T&T) Limited, which have indefinite useful lives. These assets are tested for impairment annually, and whenever there is an indication that the asset is impaired, the carrying amount is reduced to the recoverable amount.

(v) Other intangibles

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.

(e) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency').

The consolidated financial statements are presented in Jamaican dollars, which is the company's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are accounted for at the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated using the closing exchange rates at the reporting date.

Exchange differences resulting from the settlement of transactions at rates different from those at the dates of the transactions, and unrealised foreign exchange differences on unsettled foreign currency monetary assets and liabilities are recognised in profit or loss.

Exchange differences on non-monetary financial assets are a component of the change in their fair value. Depending on the classification of a non-monetary financial asset, exchange differences are either recognised in profit or loss (applicable for trading securities), or within other comprehensive income if non-monetary financial assets are classified as available-for-sale. In the case of changes in the fair value of monetary assets denominated in foreign currency classified as available-for-sale, a distinction is made between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in the amortised cost are recognised in profit or loss, and other changes in the carrying amount, except impairment, are recognised in other comprehensive income.

(iii) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities are translated at the closing rates at the reporting date;
- Income and expenses are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- All resulting exchange differences are recognised in other comprehensive income and accumulated as a separate component of equity.

34. Significant Accounting Policies (Continued)

(f) Share capital

The Group classifies capital instruments as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instrument. Preference share capital is classified as equity if it is non-redeemable, or redeemable only at the issuer's option, and any dividends are discretionary. Dividends thereon are recognised as distributions within equity. Preference share capital is classified as liability if it is redeemable on a specific date or at the option of the stockholders, or if dividends are not discretionary. Dividends thereon are recognised as interest in profit or loss.

The Group's redeemable preference shares are redeemable on specific dates, and bear entitlements to distributions that are cumulative, and not at the discretion of the directors. Accordingly, they are presented as financial liabilities.

Incremental costs directly attributable to the issue of an equity instrument are deducted from the initial measurement of the equity instruments.

(g) Taxation

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in profit or loss except to the extent that it relates to items recognised in other comprehensive income, in which case it is also recognised in other comprehensive income.

(i) Current income tax

Current income tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the reporting date, and any adjustment to income tax payable in respect of previous years.

(ii) Deferred income tax

Deferred income tax is provided for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amounts of taxable temporary differences is insufficient to recognize a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plan for the company. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted at the reporting date.

34. Significant Accounting Policies (Continued)

(h) Impairment

The carrying amounts of the Group's assets, except for deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists for any asset, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in profit or loss.

When a decline in the fair value of an available-for-sale financial asset has been recognised in other comprehensive income and there is objective evidence that the asset is impaired, the cumulative loss that had been recognised in other comprehensive income is reclassified to profit or loss even though the financial asset has not been derecognised. The amount of the cumulative loss that is recognised in profit or loss is the difference between the acquisition cost and current fair value less any impairment loss on that financial asset previously recognised in profit or loss.

(i) Calculation of recoverable amount

The recoverable amount of the Group's receivables is calculated as the present value of expected future cash flows, discounted at the original effective interest rate inherent in the asset. Receivables with a short duration are not discounted.

The recoverable amount of other assets is the greater of their fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

(ii) Reversals of impairment

An impairment loss in respect of a receivable is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised.

An impairment loss in respect of an investment in an equity instrument classified as available-for-sale is not reversed through profit or loss, but through other comprehensive income. If the fair value of a debt instrument classified as available-for-sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss shall be reversed, with the amount of the reversal recognised in profit or loss.

In respect of other assets, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

34. Significant Accounting Policies (Continued)

(i) Revenue recognition

The principal types of revenue and the manner in which they are recognised are as follows:

(i) Interest income
Interest income is recorded on the accrual basis. Interest income includes the amortisation of any discount or premium, transaction costs or other differences between the initial carrying amount of an interest-earning instrument and its amount at maturity calculated on the effective interest basis. When financial assets become doubtful of collection, they are written down to their recoverable amounts and interest income is thereafter recognised based on the rate of interest that was used to discount the future cash flows for the purpose of measuring the recoverable amount, which is the original effective interest rate of the instrument calculated at the acquisition or origination date.

(ii) Fees and commissions
Fee and commission income are recognised on the accrual basis when the service has been provided. Fees and commissions arising from negotiating or participating in the negotiation of a transaction for a third party are recognised on completion of the underlying transaction. Portfolio and other management advisory and service fees are recognised based on the applicable service contracts, usually on a time-apportionate basis. Asset management fees related to investment funds are recognised over the period in which the service is provided. Performance-linked fees or fee components are recognised when the performance criteria are fulfilled.

(iii) Dividends
Dividend income is recognised when the right to receive payment is irrevocably established.

(j) Employee benefits

Employee benefits are all forms of consideration given by the Group in exchange for service rendered by employees. These include current or short-term benefits such as salaries, bonuses, NIS contributions, vacation leave; non-monetary benefits such as medical care; post-employments benefits such as pensions; and other long-term employee benefits such as termination benefits.

Employee benefits that are earned as a result of past or current service are recognised in the following manner: Short-term employee benefits are recognised as a liability, net of payments made, and charged as expense. The expected cost of vacation leave that accumulates is recognised when the employee becomes entitled to the leave. Post-employment benefits are accounted for as described below. Other long-term benefits are not considered material and are charged off when incurred.

Pensions are the Group's only post-employment benefit. Pension fund costs included in Group profit or loss represent contributions to the defined-contribution fund which the Group operates to provide retirement pensions for the Group's employees (Note 30). Contributions to the fund, made on the basis provided for in the rules, are accrued and charged as expense when due.

34. Significant Accounting Policies (Continued)

(k) Operating leases

Payments made under operating leases are recognised in profit or loss on the straight line basis over the terms of the leases.

(l) Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing related products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is the Board of Directors.

(m) Interest expense

Interest expense is recognised in profit or loss using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash payments through the expected life of the financial liability (or, where appropriate, a shorter period) to the carrying amount of the financial liability.

(n) Borrowings

Borrowings are recognised initially at fair value net of transaction costs incurred. Borrowings are subsequently measured at amortised cost and any difference between net proceeds and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

(o) Investment properties

Investment properties are held for rental income and fair value gains. Investment properties are treated as a long-term investment and are measured at fair value. Fair value is determined every third year by an independent professional valuer, and in each of the two intervening years by the directors. Changes in fair values are recognised in profit or loss. Rental income from investment properties is recognised in profit or loss on the straight line basis over the tenure of the leases.

34. Significant Accounting Policies (Continued)

(p) New and amended standards and interpretations issued but are not yet effective

Certain new and amended standards and interpretations have been issued which are not yet effective for the current year and which the Group has not early-adopted. The Group has assessed the relevance of all such new standards, amendments and interpretations with respect to the Group's operations and has determined that the following are likely to have an effect on the financial statements.

(i) The Group is required to adopt IFRS 9 *Financial Instruments* from April 1, 2018. The standard replaces IAS 39 *Financial Instruments: Recognition and Measurement* and sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. IFRS 9 contains a new classification and measurement approach for financial assets that reflects the business model in which assets are managed and their cash flow characteristics. It contains three principal classification categories for financial assets: amortised cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL). The standard eliminates the existing IAS 39 categories of held to maturity, loans and receivables and available for sale.

Based on management's preliminary assessment, the Group does not believe that the new classification requirements will have a material impact on its accounting for loans, notes and other receivables, investment in debt securities and investment in equity securities that are managed on a fair value basis.

However, the Group is still in the process of its assessment and the final impact has not yet been determined.

IFRS 9 replaces the 'incurred loss' model in IAS 39 with a forward-looking 'expected credit loss' (ECL) model. This will require considerable judgement about how changes in economic factors affect ECLs, which will be determined on a probability-weighted basis. The new impairment model will apply to financial assets measured at amortised cost or FVOCI.

Under IFRS 9, loss allowances will be measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from possible default events within the 12 months after the reporting date; and
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

Lifetime ECL measurement applies if the credit risk of a financial asset at the reporting date has increased significantly since initial recognition and 12-month ECL measurement applies if it has not. An entity may determine that a financial asset's credit risk has not increased significantly if the asset has low credit risk at the reporting date. Lifetime ECL measurement always applies for short-term receivables without a significant financing component.

The Group believes that impairment losses are likely to increase and become more volatile for assets in the scope of the IFRS 9 impairment model. However, the Group is still in the process of determining the likely financial impact on its financial statements.

IFRS 9 will require extensive disclosures, in particular for credit risk and ECLs. The Group's assessment included an analysis to identify data gaps in current processes and the Group is in the process of implementing the system and control changes that it believes will be necessary to capture the required data.

34. Significant Accounting Policies (Continued)

(p) New and amended standards and interpretations issued but are not yet effective (continued)

(i) The Group is required to adopt IFRS 9 *Financial Instruments* from April 1, 2018 (continued)

Changes in accounting policies resulting from the adoption of IFRS 9 will generally be applied retrospectively, except as follows:

- The Group will take advantage of the exemption allowing it not to restate comparative information for prior periods with respect to classification and measurement as well as impairment changes. Differences in the carrying amounts of financial instruments resulting from the adoption of IFRS 9 will generally be recognised in retained earnings and reserves as at April 1, 2018.

- The Group will determine the business model within which a financial asset is held based on the facts and circumstances that exist at the date of initial application.

(ii) The Group is required to adopt IFRS 15 *Revenue from Contracts with Customers* from April 1, 2018. The standard establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including IAS 18 *Revenue*, IAS 11 *Construction Contracts* and IFRIC 13 *Customer Loyalty Programmes*.

The Group will apply a five-step model to determine when to recognise revenue, and at what amount. The model specifies that revenue should be recognised when (or as) an entity transfers control of goods or services to a customer at the amount to which the entity expects to be entitled. Depending on whether certain criteria are met, revenue is recognised at a point in time, when control of goods or services is transferred to the customer; or over time, in a manner that best reflects the entity's performance.

Management has assessed that the main impact of this standard is in respect of fees and commission income. The Group earns fees and commission income on provision of asset management, advisory and portfolio management services. Based on preliminary review, IFRS 15 is not expected to have a material impact on the timing and recognition of fee and commission income. However, management has not yet completed its assessment and the financial impact has not yet been determined.

(iii) IFRS 16, *Leases*, which is effective for annual reporting periods beginning on or after January 1, 2019, eliminates the current dual accounting model for lessees, which distinguishes between on-balance sheet finance leases and off-balance sheet operating leases. Instead, there is a single, on-balance sheet accounting model that is similar to current finance lease accounting. Lessees will be required to bring all major leases on-balance sheet, recognising new assets and liabilities. The on-balance sheet liability will attract interest; the total lease expense will be higher in the early years of a lease even if a lease has fixed regular cash rentals. Optional lessee exemption will apply to short-term leases and for low-value items with value of US$5,000 or less.

Lessor accounting remains similar to current practice as the lessor will continue to classify leases as finance and operating leases.

Early adoption is permitted if IFRS 15, *Revenue from Contracts with Customers* is also adopted.

The Group is assessing the impact that the standard will have on its 2020 financial statements.

34. Significant Accounting Policies (Continued)

(p) New and amended standards and interpretations issued but are not yet effective (continued)

(iv) IFRIC 22, *Foreign Currency Transactions and Advance Consideration*, effective for annual reporting periods beginning on or after January 1, 2018, addresses how to determine the transaction date when an entity recognises a non-monetary asset or liability (e.g. non-refundable advance consideration in a foreign currency) before recognising the related asset, expense or income. It is not applicable when an entity measures the related asset, expense or income on initial recognition at fair value or at the fair value of the consideration paid or received at a date other than the date of initial recognition of the non-monetary asset or liability.

An entity is not required to apply this interpretation to income taxes or insurance contracts that it issues or reinsurance contracts held.

The interpretation clarifies that the transaction date is the date on which the company initially recognises the prepayment or deferred income arising from the advance consideration. For transactions involving multiple payments or receipts, each payment or receipt gives rise to a separate transaction date.

The Group is assessing the impact that the interpretation will have on its 2019 financial statements.

(v) Amendments to IAS 40, *Transfers of Investment Property,* effective for annual reporting periods beginning on or after January 1, 2018, clarifies when an entity should transfer a property asset to, or from, investment property. A transfer is made when and only when there is an actual change in use – i.e. an asset meets or cease to meet the definition of investment property and there is evidence of the change in use.

The entity has a choice on transition to apply the prospective approach – i.e. apply the amendments to transfers that occur after the date of initial application – and also reassess the classification of property assets held at that date; or apply the amendments retrospectively in accordance with IAS 8, but only if it does not involve the use of hindsight.

The Group is assessing the impact that the amendments will have on its 2019 financial statements.

(vi) IFRIC 23, *Uncertainty Over Income Tax Treatments*, is effective for annual reporting periods beginning on or after January 1, 2019. Earlier application is permitted. IFRIC 23 clarifies the accounting for income tax treatments that have yet to be accepted by tax authorities, in the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

An entity has to consider whether it is probable that the relevant tax authority would accept the tax treatment, or group of tax treatments, that is adopted in its income tax filing.

If the entity concludes that it is probable that the tax authority will accept a particular tax treatment in the tax return, the entity will determine taxable profit (tax loss), tax bases, unused tax losses, unused tax credits or tax rates consistently with the tax treatment included in its income tax filings and record the same amount in the financial statements. The entity will disclose uncertainty.

34. Significant Accounting Policies (Continued)

(p) New and amended standards and interpretations issued but are not yet effective (continued)

(vi) IFRIC 23, *Uncertainty Over Income Tax Treatments*, (continued)

If facts and circumstances change, the entity is required to reassess the judgements and estimates applied.

IFRIC 23 reinforces the need to comply with existing disclosure requirements regarding

- judgements made in the process of applying accounting policy to determine taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates;
- assumptions and other estimates used; and
- potential impact of uncertainties that are not reflected in the financial statements.

The Group is assessing the impact that the interpretation will have on its 2020 financial statements.

(vii) Amendments to IFRS 9, *Financial Instruments,* effective retrospectively for annual periods beginning on or after January 1, 2019 clarifies the treatment of:

(i) Prepayment features with negative compensation:

Financial assets containing prepayment features with negative compensation can now be measured at amortised cost or at fair value through other comprehensive income (FVOCI) if they meet the other relevant requirements of IFRS 9.

(ii) Modifications to financial liabilities:

If the initial application of IFRS 9 results in a change in accounting policy arising from modified or exchanged fixed rate financial liabilities, retrospective application is required, subject to particular transitional reliefs. There is no change to the accounting for costs and fees when a liability has been modified, but not substantially. These are recognised as an adjustment to the carrying amount of the liability and are amortised over the remaining term of the modified liability.

The Group is assessing the impact that these amendments will have on its 2020 financial statements.

We believe.

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