

JMMB GROUP LIMITED

Three Months Highlights

Three-month period ended 30 June 2024

(Expressed in Jamaican dollars unless otherwise indicated)

DIRECTORS' STATEMENT

PERFORMANCE HIGHLIGHTS

Net Operating Revenue	J\$5.66 billion
Net Interest Income	J\$2.70 billion
Fees and commissions income	J\$1.26 billion

GROUP CEO'S COMMENTARY

The JMMB Group Limited posted net loss of J\$1.47 billion largely due to one-off share of loss from associate of J\$1.5 billion for the 3 months ended June 30, 2024.

JMMB Group Results

JMMB Group for the quarter ending June 30, 2024, achieved a creditable consolidated contribution from our main operating territories: Jamaica, Trinidad and Tobago and the Dominican Republic of J\$604 million. Though the JMMB Group continued to operate in a "higher for longer" interest rate environment, headway was made as the team successfully executed on its managed smart growth strategies aimed at improving resilience, delivering sustainable earnings, growth and dividends to shareholders over time. Specifically in Jamaica through its Maximizing Profitability and Productivity Programme, profitability has been bolstered through revenue enhancement initiatives across business lines. Notably, improvements could be seen in our net interest income (NII) as the Group recorded a 7% increase. Based on our core operations the JMMB Group remains a solid, safe and viable business.

This positive achievement was offset as the Group's associated company Sagicor Financial Company Limited (SFC) suffered a net loss for the quarter. The Group's 23.62% share approximated J\$1.5 billion. The associate loss was mainly on account of marked-to-market losses and actuarial adjustments. Of note, the core earnings for SFC continued to be positive.

As seen over the years, the asset tax for the entire financial year, absorbed first quarter, continues to significantly negatively impact Group profitability in the reporting period. The first quarter results therefore reflect this distortionary asset tax which is based on the assets on books and not profitability of the underlying assets. Without this asset tax, our net earnings would improve by \$1.14 billion for the quarter.

Despite facing this and other persistent economic challenges, JMMB Group has demonstrated its resilience and adaptability, achieving commendable operating results as a Group for the first quarter of the FY year. Our diversified business model continues to be our winning strategy along with the strategic execution of our smart growth initiatives, which are delivering the results needed towards achieving our strategic goals.

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Investment Business Line Stabilizes despite high interest rates and low market liquidity

While the Investment business line continues to generate strong top line revenue for the Group, recent challenges have posed notable hurdles. In the last FY quarter, we would have accelerated our Maximizing Profitability and Productivity Programme in Jamaica with its focus areas being:

- Efficient Capital Utilization
- Debt Profile Management
- Operational efficiency and sales productivity
- Non-Interest revenue growth
- Portfolio Rebalancing

In the Dominican Republic, we executed on good opportunities for trading gains which provided a solid contribution to Group profitability despite the high interest rate low liquidity environment. In Trinidad and Tobago, lacklustre market conditions have impacted the performance with reduction in asset prices and associated increased costs of liabilities, however strategies are being executed to bolster performance. We expect that these efforts will result in an increase in yields on our assets, a reduction of our cost of funds and a more efficient operating model and an overall improved level of profitability in a sustainable way. Overall, we have seen early success of the imperatives implemented in Jamaica, along with healthy trading gains from the DR reflected in the three-month period, where Financial and Related Services contributed 29% of net operating revenue or J\$1.7 billion.

Banking Business Line continues to perform credibly, Real Estate and Money Transfer adds to diversification of earnings

Our Banking business line, that has been a deliberate business line of strategic focus, continues to perform credibly, contributing J\$3.9 billion or 69% to Group operating revenues. This performance is due to our strategy of expanding our loan and deposit portfolio through renewed sales strategies and enhancing our digital banking services.

Total contribution from business lines would have been tempered by share of loss from SFC however, our core operations remain robust, and we expect to see growth in our business lines: banking, investments, real estate, money transfer and insurance brokerage in the medium and long term. In terms of our capital, the Group continues to remain robust, maintaining adequate regulatory capital requirements for each operating territory and entity to ensure sustainability of the business.

Delivering on our Client Value Proposition

During the quarter, ending June 30, 2024, the Group continued its focus on the roll out of its Financial Life Goal Centres (FLGC) with 6 out of 10 branches in Jamaica already fully initialized. The FLGC optimization will provide clients with:

- A single point of contact for all banking, investing and other financial solution needs;
- A holistic approach to service, which is focused on each client's unique journey towards achieving their financial goals; and
- Greater financial planning support, as clients move along the different phases of the financial life cycle.

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The implementation of our FLGC along with other client partnership initiatives, queue management system, daily real time feedback, digital onboarding and our retirement online calculator “Hello Future” continues to strengthen our commitment to providing our clients with a seamless multi-channel experience. Currently our clients in Jamaica gets to enjoy the convenience of digital onboarding, as 46% of clients who visited our branches in Jamaica in June 2024 were digitally on boarded. We are expecting to have this tool fully implemented both in-branch and online by the end of Q2 to allow clients even greater convenience of remote access. This along with our MoneyLine application, which was rolled out in February, will provide clients with an enhanced digital experience.

Looking Ahead

The last financial year would have reflected an inflection point for the JMMB Group, as we took the time to initiate and implement the necessary strategic pivots needed to realign our portfolio and the business model. In this new FY we continue to navigate the headwinds whilst focusing on the opportunities to strengthen our business model and provide a more sustainable and profitable business. The US Fed in July once again held rates, however analysts projected at least one rate cut will occur in 2024. This would augur well for the financial market as we could see a possible rebound and hence improved performance for the JMMB Group. As we look forward to the next nine months, our strategic priorities remain clear: enhancing client experiences, expanding income streams to enhancing non-interest income and off-balance sheet solutions, operational efficiency, digital innovation and deepening our commitment to financial inclusion, whilst keeping abreast of the regulatory changes, which are likely to impact the business within this FY. For the upcoming quarter, we remain focus on our *managed smart growth* strategy and we are confident that with our dedicated team members, strong governance framework, and unwavering focus on our strategic goals, JMMB Group will continue to thrive and deliver sustainable growth.

In closing, we would like to extend our heartfelt gratitude to our clients, team members, shareholders, and partners for their unwavering support and trust in JMMB Group. Together, we will continue to build on our successes and pursue new opportunities for growth and impact.

GROUP FINANCIAL PERFORMANCE

Net Operating Revenue

The Group posted net operating revenue of J\$5.66 billion for the three months ended June 30, 2024, reflecting a decline of 19% when compared to the corresponding period in the previous year. The operating environment continued to be challenging especially as it relates to global interest rates which continued to be sustained at elevated levels. Thus, interest margins remained under pressure and trading activities continued to be adversely affected. Understanding the impact of the environment on the business operations, the Group has doubled its efforts to focus on a more optimal funding mix to drive the business. Consequently, net interest income increased by 7% to J\$2.7 billion. However, fixed income trading gains and FX trading gains were lower by 45% at J\$1.3 billion and 52% at J\$323 million.

Also, fees and commission income fell 9% to J\$1.26 billion and was due in part to reduced market sentiment. There was a wait-and-see approach with respect to capital market transaction as market consensus is that the start of the Fed rate cut is imminent. Nevertheless, clients continue to demonstrate confidence in the value of solutions and services as evidenced by the strong growth of the loan portfolio.

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Segment Contribution

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

Net Operating Revenue	J\$'000	Contribution (%)
Financial & Related Services	1,657,402	29%
Banking & Related Services	3,919,389	69%
Other	83,444	1%
Total	5,660,236	100%

The Banking & Related Services segment contributed J\$3.9 billion which was 69% of operating revenue. This represented an 19% growth when compared to the prior period on account of strong growth in the loan book and less margin compression.

The Financial and Related Services segment contributed J\$1.7 billion or 29% of net operating revenue and reflected a decline of 46% compared to prior period. This largely reflected elevated interest rates and the attendant market conditions such as tight market liquidity and reduced appetite for emerging markets assets.

Operating Efficiency

Operational efficiency remains a key area of strategic focus for the business. This is managed through its strategic cost management framework that ensures optimal resource allocation to satisfy the operating needs of the business and to drive growth. For the first quarter under consideration, operating expenses increased from J\$5.82 billion to J\$6.36 billion and reflected inflationary increases as well as strategic spend related to longer-term initiatives aimed at improving the posture and positioning of the Group.

Going forward, the Group will continue to focus on optimizing its structure through its digital transformation program, standardization, and centralization, as well as optimizing its sales productivity by the continued integration of the sales segments.

Interest in Associated Company

For the quarter ended 30 June 2024, Sagicor Financial Company Limited (SFC) published loss to common shareholders of US\$40.2 million. This was mainly on account of unusual marked-to-market losses and IFRS 17 actuarial adjustments which approximated US\$55.1 million for the quarter. Of note, the core performance for SFC continued to be positive and contributed US\$25.3 million for the quarter.

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GROUP FINANCIAL POSITION

Total Assets

At the end of the reporting period, the Group's asset base was stable relative to the start of the financial year, totalling J\$680 billion. Notably, the loan portfolio grew by 3% to J\$205 billion and the credit quality of the loan portfolio continued to be comparable to international standards and the Group continues to maintain enhanced monitoring to mitigate against possible deterioration in credit quality.

In a similar vein, liabilities remained stable at J\$629 billion and customer deposits grew by 4% to J\$207 billion.

Capital

Company	Regulatory Measure	Minimum Requirement	30-Jun-24
Jamaica Money Market Brokers Limited	Regulatory capital to risk weighted assets ratio	10%	15.25%
JMMB Bank (Ja) Limited	Regulatory capital to risk weighted assets ratio	10%	12.65%
JMMB Bank (T&T) Limited	Regulatory capital to risk weighted assets ratio	10%	14.50%

Over the three-month period, shareholders' equity decreased by 7% to J\$50.8 billion. This was largely on account of loss for the period and lower asset prices which adversely impacted investment revaluation reserves. Nevertheless, the Group continues to

be adequately capitalized and all individually regulated companies within the Group continue to exceed their regulatory capital requirements. The performance of the major subsidiaries is shown in the table above.

Off-Balance Sheet Funds under Management

The Group continued to execute on its strategy to provide complete, customized financial solutions for each client. This includes off-balance sheet products such as pension funds, unit trusts and money market funds. For the period under review, congruent with the decline in asset prices globally, assets in these funds were adversely impacted. Nevertheless, the total invested in off-balance sheet products as at the end of June 2024 stood at J\$204.5 billion compared to J\$186 billion as at 30 June 2023.

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The JMMB Group in the Community

As the financial group of companies founded on the basis of love and standing for the greatness of all humanity, the JMMB Group continued to make a difference via its multi-faceted approach to corporate social responsibility, with an emphasis on education and community empowerment.

Topaz Educational Centre Transformation

In Trinidad & Tobago, we sustained our unwavering commitment to education by supporting the Topaz Educational Centre. Originally a small homework center, Topaz received substantial funding from JMMB, to evolve into a full-time private school. This transformation aligns seamlessly with the values of diversity, inclusion, and empowerment. By investing in education, JMMB aims to create a positive impact on the lives of children and families.

Mustard Seed Communities

The JMMB Joan Duncan Foundation extended its compassionate reach to Mustard Seed Communities in Jamaica. As an extension of our pre-existing relationship with Mustard Seed, a significant donation of J\$750,000 was made to support the care of 59 disabled Haitian orphans who were rescued from challenging circumstances. This initiative exemplifies our Foundation's commitment to vulnerable populations, by providing essential resources that are needed to bring about a brighter future for those in need.

Annual Joan Duncan Memorial Lecture

Serving as a beacon of inspiration, aligning with our commitment to lifelong learning and empowerment, this year's lecture was delivered by distinguished speaker Dr. Maya Patel, a renowned economist and advocate for financial literacy. The lecture focused on the theme of Empowering Communities Through Financial Education. Streamed live on television and via YouTube, audience members gained insights into practical strategies for managing personal finances, investing wisely, and navigating economic challenges.

Project STAR- Social Transformation and Renewal

As a major sponsor of Project Star, the JMMB Group is proud the achievements of the transformational programme in 2023-24 including:

- Increased access to economic opportunities for 891 residents, with 18% being at-risk youth.
- 575 resident entrepreneurs and local businesses benefited from business development support
- 693 residents, 41% of which are parents and children, have benefited from ongoing psycho-social support.
- Led by 1526 community members, 4 Community Transformation Action Plans (CTAPs) have been drafted and are ready for implementation.
- 59% increase in stakeholder collaboration and partnership resulting in broader participation.
- Learnings have been applied to refine and improve the STAR community entry process and the STAR community transformation planning process

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General

The Directors thank and acknowledge all our loyal, supportive and valuable shareholders, clients and staff who continue to contribute to our ongoing success.



Archibald Campbell
Chairman



Keith P. Duncan
Group Chief Executive Officer

JMMB GROUP LIMITED

Consolidated Profit and Loss Account

Three-month period ended 30 June 2024

(Expressed in Jamaican dollars unless otherwise indicated)

	Unaudited Three Months Ended 30-Jun-24 \$000	Unaudited Three Months Ended 30-Jun-23 \$000
Net Interest Income and Other Revenue		
Interest income	10,186,420	9,853,584
Interest expense	(7,483,361)	(7,319,951)
Net Interest Income	2,703,059	2,533,633
Fees and commissions income	1,256,961	1,387,833
Gain on securities trading, net	1,303,529	2,364,207
Foreign exchange margins from cambio trading	322,920	671,499
Dividends	73,767	64,749
Operating Revenue Net of Interest Expense	5,660,236	7,021,921
Operating expenses	(6,357,266)	(5,816,252)
	(697,030)	1,205,669
Gain on sale of capital assets	1,268,320	-
Other income	32,743	10,784
	604,033	1,216,453
Impairment loss on financial assets	(270,156)	(490,084)
Share of (loss)/profit of associate (Note 3)	(1,478,481)	1,733,703
Finance cost	(434,056)	(429,070)
(Loss)/Profit before Taxation	(1,578,660)	2,031,002
Taxation	104,614	520,287
(Loss)/Profit for the Period	(1,474,046)	2,551,289
Attributable to:		
Equity holders of the parent	(1,541,463)	2,503,834
Non-controlling interest	67,417	47,455
	(1,474,046)	2,551,289
Earnings per stock unit (Note 4)	(\$0.79)	1.28

JMMB GROUP LIMITED

Consolidated Statement of Comprehensive Income

Three-month period ended 30 June 2024

(Expressed in Jamaican dollars unless otherwise indicated)

	Unaudited Three Months Ended 30-Jun-24 \$000	Unaudited Three Months Ended 30-Jun-23 \$000
(Loss)/Profit for the Period	(1,474,046)	2,551,289
Other comprehensive income		
<i>Items that may be reclassified to profit or loss:</i>		
Net (loss)/gain on investment in debt instruments measured at FVOCI	(2,915,503)	2,563,944
Foreign exchange translation differences on translation of foreign subsidiaries	493,001	606,640
<i>Items that will not be reclassified to profit or loss:</i>		
Net gain on investment in equity instruments designated at FVOCI	70,910	921,560
Total other comprehensive (loss)/income, net of tax	(2,351,592)	4,092,144
Total comprehensive (loss)/income for period	(3,825,638)	6,643,433
Total comprehensive (loss)/income attributable to:		
Owners of the parent	(4,062,348)	5,974,742
Non-controlling interest	236,710	668,691
	(3,825,638)	6,643,433

JMMB GROUP LIMITED

Consolidated Statement of Financial Position

As at 30 June 2024

(Expressed in Jamaican dollars unless otherwise indicated)

	Unaudited as at 30-Jun-24 \$'000	Unaudited as at 30-Jun-23 \$'000	Unaudited as at 31-Mar-24 \$'000
ASSETS			
Cash and cash equivalents	57,895,058	58,844,619	62,224,712
Interest receivable	5,756,580	6,639,867	5,590,029
Income tax recoverable	488,861	584,529	515,973
Loans and notes receivable	204,802,424	188,954,213	198,943,622
Other receivables	14,938,768	9,302,099	10,738,240
Investments and resale agreements	321,885,511	350,724,420	321,186,323
Interest in associated company	42,880,833	37,551,713	44,873,796
Investment properties	3,128,868	2,916,241	3,098,043
Property, plant and equipment and intangible assets	8,126,724	8,301,852	8,389,507
Deferred income tax asset	19,628,165	14,976,580	18,903,142
Right-of-use asset	547,244	803,611	637,510
	680,079,036	679,599,744	675,100,897
STOCKHOLDERS' EQUITY			
Share capital	14,113,865	14,115,924	14,113,865
Retained earnings reserve	9,605,055	9,605,055	9,605,055
Investment revaluation reserve	(10,711,667)	(13,842,012)	(7,927,633)
Cumulative translation reserve	614,018	2,306,302	350,869
Retained earnings	35,335,556	42,123,897	36,877,019
	48,956,827	54,309,166	53,019,175
Non-controlling interest	1,858,657	1,695,959	1,653,444
	50,815,484	56,005,125	54,672,619
Liabilities			
Customer deposits	207,091,239	182,740,409	200,004,168
Due to other financial institutions	12,321,576	15,148,446	12,293,631
Securities sold under agreements to repurchase	310,919,810	316,096,042	308,882,389
Notes payable	52,473,093	62,776,150	52,250,316
Lease liabilities	661,180	959,382	765,794
Redeemable preference shares	28,877,870	28,799,182	28,734,023
Interest payable	5,236,939	5,003,208	6,361,204
Income tax payable	646,338	1,385,038	585,835
Other payables	10,958,274	10,648,329	10,472,249
Deferred income tax liabilities	77,233	38,433	78,669
	629,263,552	623,594,619	620,428,278
	680,079,036	679,599,744	675,100,897

Archibald Campbell
Chairman

Keith P. Duncan
Group Chief Executive Officer

JMMB GROUP LIMITED

Consolidated Statement of Changes in Stockholders' Equity

Three-month period ended 30 June 2024

(Expressed in Jamaican dollars unless otherwise indicated)

	Share Capital	Retained Earnings Reserve	Investment Revaluation Reserve	Cumulative Translation Reserve	Retained Earnings	Attributable to holders of the Parent	Non-Controlling Interest	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balances at March 31, 2023 (Audited)	14,115,924	9,605,055	(16,882,314)	1,718,515	44,775,811	53,332,991	1,027,268	54,360,259
Changes on associate company's application of IFRS 17	-	-	157,181	-	(5,155,748)	(4,998,567)	-	(4,998,567)
Balances at April 1, 2023 (Unaudited)	14,115,924	9,605,055	(16,725,133)	1,718,515	39,620,063	48,334,424	1,027,268	49,361,692
Profit for the period	-	-	-	-	2,503,834	2,503,834	47,455	2,551,289
Other comprehensive income for period	-	-	2,883,121	587,787	-	3,470,908	621,236	4,092,144
Total comprehensive income for period	-	-	2,883,121	587,787	2,503,834	5,974,742	668,691	6,643,433
Dividends paid	-	-	-	-	-	-	-	-
Balances at 30 June 2023 (Unaudited)	14,115,924	9,605,055	(13,842,012)	2,306,302	42,123,897	54,309,166	1,695,959	56,005,125
Balances at March 31, 2024 (Audited)	14,113,865	9,605,055	(7,927,633)	350,869	36,877,019	53,019,175	1,653,444	54,672,619
Changes on associate company's application of IFRS 17	-	-	-	-	-	-	-	-
Balances at April 1, 2024 (Unaudited)	14,113,865	9,605,055	(7,927,633)	350,869	36,877,019	53,019,175	1,653,444	54,672,619
Loss for the period	-	-	-	-	(1,541,463)	(1,541,463)	67,417	(1,474,046)
Other comprehensive (loss)/income for period	-	-	(2,784,034)	263,149	-	(2,520,885)	169,293	(2,351,592)
Total comprehensive (loss)/income for period	-	-	(2,784,034)	263,149	(1,541,463)	(4,062,348)	236,710	(3,825,638)
Dividends paid by subsidiaries to non-controlling interests	-	-	-	-	-	-	(31,497)	(31,497)
Balances at 30 June 2024 (Unaudited)	14,113,865	9,605,055	(10,711,667)	614,018	35,335,556	48,956,827	1,858,657	50,815,484

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Consolidated Statement of Cash Flows

Three-month period ended 30 June 2024

(Expressed in Jamaican dollars unless otherwise indicated)

	Unaudited Three Months Ended 30-Jun-24 \$'000	Unaudited Three Months Ended 30-Jun-23 \$'000
Cash Flows from Operating Activities		
(Loss)/profit for the Period	(1,474,046)	2,551,289
Adjustments for:		
Share of loss/(profit) of associate	1,478,481	(1,733,703)
Gain on sale of capital assets	(1,268,320)	-
Unrealised gain on trading securities	(12,811)	(1,098,266)
Depreciation and amortisation	409,666	335,761
	(867,030)	55,081
Changes in operating assets and liabilities	(914,781)	(357,118)
Net cash used in operating activities	(1,781,811)	(302,036)
Cash Flows from Investing Activities		
Investment securities, net	(3,220,073)	(586,240)
Dividends received	73,767	337,951
Proceed from sale of capital assets	1,590,217	-
Purchase of property, plant and equipment and computer software	(960,257)	(345,953)
Net cash used in investing activities	(2,516,346)	(594,241)
Cash Flows from Financing Activities		
Dividends paid	(31,497)	-
Net cash used in financing activities	(31,497)	-
Net decrease in cash and cash equivalents	(4,329,654)	(896,278)
Cash and cash equivalents at beginning of year	62,224,712	59,740,897
Cash and cash equivalents at end of period	57,895,058	58,844,619

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Notes to the Financial Statements

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Segment Reporting

	Three-month period ended 30 June 2024				
	Financial & Related Services	Banking & Related Services	Others	Eliminations	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
External revenues	8,016,958	6,343,115	84,587	-	14,444,660
Intersegment revenue	3,404,873	67,937	-	(3,472,810)	-
Total segment revenue	11,421,831	6,411,052	84,587	(3,472,810)	14,444,660
Share of loss of associate					(1,478,481)
(Loss)/profit before tax	(2,518,775)	690,797	249,318	-	(1,578,660)
Taxation					104,614
Loss for the period					(1,474,046)
Total segment assets	636,925,981	282,227,029	4,944,304	(244,018,278)	680,079,036
Total segment liabilities	562,979,887	252,227,336	3,756,595	(189,700,266)	629,263,552
Interest Income	4,706,244	5,472,360	7,816	-	10,186,420
Operating expenses	3,467,842	2,817,198	72,226	-	6,357,266
Depreciation & amortisation	270,136	135,638	3,892	-	409,666
Capital expenditure	717,656	186,979	55,622	-	960,257

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Segment Reporting

	Three-month period ended 30 June 2023				
	Financial & Related Services	Banking & Related Services	Others	Eliminations	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
External revenues	8,502,966	5,624,957	224,733	-	14,352,656
Intersegment revenue	2,330,921	61,891	-	(2,392,812)	-
Total segment revenue	10,833,887	5,686,848	224,733	(2,392,812)	14,352,656
Share of profit of associate					1,733,703
Profit before tax	1,556,287	305,573	169,142	-	2,031,002
Taxation					520,287
Profit for the period					2,551,289
Total segment assets	608,684,616	273,414,290	4,324,470	(206,823,632)	679,599,744
Total segment liabilities	548,513,310	246,136,877	3,230,435	(174,286,003)	623,594,619
Interest Income	4,969,350	4,874,722	9,512	-	9,853,584
Operating expenses	3,224,175	2,538,364	53,713	-	5,816,252
Depreciation & amortisation	207,830	123,563	4,368	-	335,761
Capital expenditure	167,867	55,632	122,454	-	345,953

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1. Identification

JMMB Group Limited (the “Company”) is incorporated and domiciled in Jamaica. The registered office of the company is located at 6 Haughton Terrace, Kingston 10, Jamaica. The principal activity of the Company is that of holding equity investments in business enterprises.

JMMB Group Limited has interest in several subsidiaries and an associated company which are listed below. The Company and its subsidiaries are collectively referred to as “Group”.

Name of Subsidiary and Associate	% Shareholding Held by Parent/Subsidiary		Country of Incorporation	Principal Activities
	Parent	Subsidiary		
JMMB Financial Holdings Limited	100		Jamaica	Financial holding company
Jamaica Money Market Brokers Limited and its subsidiaries	100		Jamaica	Securities brokering
JMMB Securities Limited		100	Jamaica	Stock brokering
JMMB Insurance Brokers Limited		100	Jamaica	Insurance brokering
JMMB Fund Managers Limited		100	Jamaica	Fund management
JMMB Bank (Jamaica) Limited	100		Jamaica	Commercial banking
JMMB Money Transfer Limited	100		Jamaica	Funds transfer
Jamaica Money Market Brokers (Trinidad and Tobago) Limited and its subsidiaries	100		Trinidad and Tobago	Investment holding company
JMMB Investments (Trinidad and Tobago) Limited and its subsidiary		100	Trinidad and Tobago	Securities brokering
JMMB Securities (T&T) Limited		100	Trinidad and Tobago	Stock brokering
JMMB Bank (T&T) Limited and its subsidiary		100	Trinidad and Tobago	Commercial banking
JMMB Express Finance (T&T) Limited		100	Trinidad and Tobago	Merchant banking and consumer financing
JMMB Holding Company Limited, SRL and its subsidiaries	100		Dominican Republic	Investment holding and management
JMMB Puesto de Bolsa, S.A.		80	Dominican Republic	Securities brokering
JMMB Sociedad Administradora De Fondos De Inversion, S.A.		70	Dominican Republic	Mutual fund administration
Banco Rio De Ahorro Y Credito JMMB Bank S.A		90	Dominican Republic	Savings and loans bank
AFP JMMB BDI S.A.		50	Dominican Republic	Pension funds administration services
JMMB International Limited	100		Barbados	Investment holding and securities brokering
JMMB Real Estate Holdings Limited	100		Jamaica	Real estate holding
CC SPV Limited, formerly Capital & Credit Securities Limited	100		Jamaica	Investment holding
Associate				
Sagicor Financial Company Limited	23.62 (2023: 23.32)		Bermuda	Life and health insurance, pension, banking and investment management

JMMB GROUP LIMITED

Notes to the Financial Statements

Three-month period ended 30 June 2024

(Expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Material Accounting Policies

(a) Basis of preparation

The Group's condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The condensed consolidated financial statements should be read in conjunction with the accounting policies as set out in Note 2 and 37 of the audited financial statements for the year ended 31 March 2024.

All amounts are stated in Jamaican dollars unless otherwise indicated.

(b) Basis of consolidation

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

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

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

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

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

(i) Non-controlling interests

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

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

(ii) Loss of control

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

JMMB GROUP LIMITED

Notes to the Financial Statements

Three-month period ended 30 June 2024

(Expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Material Accounting Policies (continued)

(c) Interest in associated company

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

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

3. Earning per stock unit

Earning per stock unit (“EPS”) is computed by dividing profit attributable to the equity holders of the parent of (J\$1,541,463,000) (2023 – J\$2,503,834,000) by the weighted average number of stock units in issue during the period, numbering 1,955,552,532 (2023 – 1,955,552,532).

4. Managed funds

The Group acts as agent and earns fees for managing clients' funds on a non-recourse basis under a management agreement. At 30 June 2024, funds managed in this way amounted to J\$204,481,232,339 (2023 – J\$186,082,389,422).

5. Comparative Information

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

JMMB GROUP LIMITED

Share Ownership of the Directors and Executive Team Leaders As at 30 June 2024

Directors	Ordinary Shareholding	Connected Parties
Donna Duncan-Scott	7,678,110	ESOP
	34,761,950	JVF O.N. LTD
	37,530,103	CONCISE O.N. LTD
Archibald Campbell	108,400	
	16,000	Lauren Campbell
	894,827	Odette Campbell
Keith P. Duncan	20,591	
	47,438,366	CONCISE E.I. LTD
	40,311,674	JVF E.I. LTD
	846,745	ESOP
V. Andrew Whyte	200,000	
Wayne Sutherland	2,135,800	Patricia Sutherland
	26,540,838	CONCISE R.I. LTD
Dennis Harris	493,277	
Dr. Anne Crick	5,234	
Reece Kong	-	
Audrey Welds	100,000	
Audrey Deer Williams	-	
Andrew Cocking	8,112,321	
	23,700	Chelsi Cocking
H. Wayne Powell	294,800	
	205,400	Jennifer Powell
Patricia Dailey Smith	5,200	Brittany Smith
	2,500	Brittany Smith
Leighton McKnight	-	
Executive Team Leaders	Ordinary Shareholding	Connected Parties
Donna Duncan-Scott	7,678,110	ESOP
	34,761,950	JVF O.N. LTD
	37,530,103	CONCISE O.N. LTD
Keith Duncan	846,745	ESOP
	20,591	
	47,438,366	CONCISE E.I. LTD
	40,311,674	JVF E.I. LTD
Carolyn DaCosta	339,114	
	3,357	Craig DaCosta
	127,169	Dermott DaCosta
	4,795	Merline DaCosta
	5,237	Amanda DaCosta
Paul Gray	763,731	ESOP
	263,280	Teverly Gray
	46,600	Brittany & Teverly Gray
	27,300	Toni-Ann & Teverly Gray
Julian Mair	239,711	ESOP
Patrick Ellis	239,872	ESOP
Janet Patrick	854,461	ESOP
	64,832	
Kerry Ann Stimpson	780,032	ESOP
Claudine Tracey	563,000	ESOP
	60,900	
Peta-Gaye Bartley	847,260	ESOP
	11,000	Samuel Bartley
Peter Thompson	147,181	ESOP
	182,825	
Garfield Smith	552,310	ESOP
	124,113	
Avinash Bissessar	15,700	

JMMB GROUP LIMITED

Top 10 Largest Shareholders of the JMMB Group

As at 30 June 2024

Name of Shareholder	Number of Shares	Percentage Ownership
PROVEN GROUP LIMITED	391,310,525	20.010%
TRUSTEES JMMB ESOP	182,653,174	9.340%
NATIONAL INSURANCE FUND	108,231,640	5.535%
COLONIAL LIFE INSURANCE CO (TRINIDAD) LTD	88,453,776	4.523%
SJIML A/C 3119	55,572,542	2.842%
PANJAM JAMAICA GROUP LIMITED	53,750,200	2.749%
CONCISE E.I. LTD	47,438,366	2.426%
JVF O.E. LTD	43,000,000	2.199%
SAGICOR POOLED EQUITY FUND	41,808,030	2.138%
JVF E.I. LTD	40,311,674	2.061%
Total	1,052,529,927	53.82%