People First.

JAMAICA NATIONAL GROUP

2019 DIRECTORS' REPORT & FINANCIAL STATEMENTS

The crest of The Jamaica National Group Limited symbolises the organisation's commitment to uphold the honour, values and traditions arising from the 14 decades of the Jamaica National Building Society, as well as its vow to help its members achieve their goals.

The Jamaica National Group Limited represents one of Jamaica's pre-eminent and most recognizable brands with over 14 decades of history in Jamaica and overseas. The Group is comprised of several potentially world-leading entities which provide a wide array of financial, technology, creative and fleet management services, among others.

On February 1, 2017, the 142-year old Jamaica National Building Society (JNBS) was restructured and The Jamaica National Group Limited established, and the deposit-taking arm of the building society was converted to JN Bank.

With membership as the ethos of its operations, the Group is committed to being a leading performer among mixed conglomerates in the region; and, to ensure that its performance directly benefits the people and communities that its member companies serve.

The Jamaica National Group Limited is committed to the success and growth of its members while using business as a force for good so that, together, we can improve the outcome of Jamaicans globally.

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Cover image: A Gene Pearson sculpture from a private collection

People First.

Mutuality Statement

Founded on the principle of **mutuality**, The **Jamaica National Group Limited's** main goal is to create long-term value for our members and assist them to achieve their best outcomes.

We strive to manage our members' affairs prudently and to satisfy their needs by offering products and services at the best rates, delivered by a highly competent team, and supported by cutting-edge technology.

Our business conduct is guided by our principle of mutuality: one member, one vote, regardless of the level of savings of each member. Therefore, the interest of all members are protected, whether large or small.

MISSION STATEMENT

Using innovative solutions
to unleash the potential of our people.

VISION STATEMENT

A globally respected brand –
boldly finding ways to **enrich lives**
and **build communities.**

VALUES STATEMENT

We value our members and stakeholders and promise to be

Dependable
Authentic
Respectful
Transparent

Notice of Annual General Meeting

Notice is hereby given that the 3rd Annual General Meeting of Shareholders of The Jamaica National Group Limited will be held at the Jamaica Pegasus Hotel in the parish of Saint Andrew at 4 o'clock in the afternoon of November 20, 2019.

The following items of business will be considered:

1. To receive, consider and adopt the following:
   i) The Directors' Report for the year ended March 31, 2019
   ii) The Statement of Accounts for the year ended March 31, 2019
   iii) The Auditors' Report for the year ended March 31, 2019
2. To elect Directors
3. To appoint Auditors
4. To transact any other business permissible by the Articles of Incorporation at an Annual General Meeting.

By Order of the Board

Dated this 18th day of October, 2019

SA Pickersgill

Shakira Pickersgill
Corporate Secretary

2-4 Constant Spring Road
Kingston 10
Jamaica, W.I.

Voting Procedures

Voting

At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded:-

(a) by the Chairman; or

(b) by at least five Members present in person or by proxy.

The demand for a poll may be withdrawn.

In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the poll is demanded, shall be entitled to a second or casting vote.

Votes of Members

One Vote per Member

Every Member shall have one vote.

Representation in Person or by Proxy

On a poll, votes may be given either personally or by proxy.

Extracted from the Articles of Incorporation of The Jamaica National Group Limited.


People First.
Dependable.

Board of Directors

Hon. Oliver F. Clarke, OJ, Hon. LL.D, JP, FCA, B.Sc. (Econ)
Chairman

The Hon. Oliver F. Clarke worked with the Jamaica National Building Society (JNBS) as Assistant General Manager and General Manager from 1971 to 1976. He served as Chairman of JNBS for two decades, 1977 to 1997 and also served as Deputy Chairman from 1997 until 2002, when he was reappointed Chairman. In February 2017, Mr Clarke was appointed Chairman of the newly launched subsidiary, JN Bank, as well as the restructured mutual holding companies, The Jamaica National Group Limited and the JN Financial Group Limited. In April 2019, he demitted chairmanship of both JN Bank and the JN Financial Group Limited and remains as Chairman of The Jamaica National Group Limited.

A Chartered Accountant, Mr Clarke was Managing Director (1976 – 2018) and has been Chairman since 1979 of The Gleaner Company (now 1834 Investments Limited. He is also past President of both The Private Sector Organisation of Jamaica (PSOJ) and The Inter American Press Association.

In 1990, he received the Americas Award from the Americas Foundation and was inducted into the PSOJ Private Sector Hall of Fame in 1996. The American Foundation for The University of the West Indies recognised him as a Caribbean Luminary in 2004, and in April 2006, the American Friends of Jamaica awarded Mr Clarke with its International Humanitarian Award.

In 2009, he was awarded the Honorary Degree of Doctor of Laws (LL.D) from The University of the West Indies, and also from the University of Technology Jamaica. In 2013, he received an Honorary Doctor of Laws degree from the Northern Caribbean University.

Dhiru Tanna, PhD, MA
Co-Deputy Chairman

Dr Dhiru Tanna has been a member of the Board of the Jamaica National Building Society since 1981 and continues to be a director of JN Fund Managers Ltd., which he served as Chairman between 2005 and 2015. He is a long-standing member of the Society's Finance and Investment Committee, now renamed the Risk Committee, which he has chaired between 2015 and 2018.

Since the transformation of the Society in February 2017, Dr Tanna remains Deputy Chair of the restructured board of The Jamaica National Group Limited, in addition to being a director of JN Bank and MCS Group.

A graduate of the University of London and the University of California, Berkeley, Dr Tanna is an Economist. He is a former Director and Chairman of a number of Jamaican and West Indian companies. His career spans assignments in Uganda, the USA, Puerto Rico and several organisations in Jamaica, and other CARICOM states. Some of these entities include Neal & Massy Holdings Ltd, The University of the West Indies, Jamaica National Investment Co. Ltd. (JNIC) and Capital Development Fund. Dr Tanna has served as a Director of the Development Bank of Jamaica between 2007 and 2016. He is Executive Chairman of Blue Power Group Ltd. which was listed on the Junior Market of the Jamaica Stock Exchange in 2010.

Elizabeth Ann Jones, CD, FCA, FCCA
Co-Deputy Chairman

Fellow of the Association of Chartered Certified Accountants and of the Institute of Chartered Accountants of Jamaica, Elizabeth Ann 'Betty Ann' Jones is a retired Senior Partner of KPMG in Jamaica and previous Chairman of KPMG CARICOM, a regional governance entity comprising KPMG member firms in the Caribbean.

Mrs Jones was appointed Chairman of the JN Financial Group and Co-Deputy Chair of The Jamaica National Group Limited in April 2019. She is also a director of Jamaica National UK Ltd. She joined the board of the Jamaica National Building Society and JN Fund Managers Limited in October 2014 and was appointed Chairman of JN Fund Managers in May 2015. She joined the board of the JN Bank in February 2017, as well as the restructured mutual holding company, The Jamaica National Group and the JN Financial Group in January 2017. Mrs Jones is also a Director of Radio Jamaica Ltd., the Gleaner Company (Media) Ltd. and 1834 Investments Ltd.

With over 40 years of professional experience in the accountancy profession in Jamaica, Mrs Jones was Head of KPMG's Jamaican tax practice for over 30 years. Her work involved advising on local and international tax planning, including double taxation treaties, tax legislation, and liaison between clients and tax authorities on matters of assessment and incentives.

She served on several tax reform committees and was seconded to the Ministry of Finance, between 1989 and 1992, as special advisor to the Minister on taxation and related matters, in particular the implementation of the General Consumption Tax.

Mrs Jones served as Chairman of both the Trade Board and Fiscal Services Limited, on the Committee to Review and Eliminate Waste in the Public Sector, and represented The Private Sector Organisation of Jamaica on a Committee to review the Government of Jamaica's Tax system. In addition, she also served as a member of the Divestment Committee responsible for the divestment of sugar factories owned by Government, and as a member of the Tax Policy and Tax Administration Working Group under the Partnership for Transformation Project in Jamaica.

Board of Directors

Hon. Earl Jarrett, OJ, CD, JP, CStJ, Hon. LL.D, Hon. EdD, FCA, MSc

Chief Executive Officer, The Jamaica National Group Limited

Earl Jarrett was appointed General Manager of the Jamaica National Building Society in October 1999. He joined the Society in 1997 as Executive with responsibility for Compliance and Overseas Subsidiaries. Mr Jarrett was appointed Chief Executive Officer of the restructured mutual holding company, The Jamaica National Group Limited in February 2017.

He is a Director on the Boards of all local and overseas companies and entities of the JN Group; and serves as Chairman of the Jamaica Automobile Association (Services) Limited and the overseas subsidiary companies of JN Money Services Limited.

A Chartered Accountant and graduate of The University of the West Indies, Mr. Jarrett serves on the boards of several external organisations. He is:

- **Chairman,** Jamaica Cancer Society; Jamaican Diaspora Foundation, JN Foundation and Mona Geoinformatics Institute
- **Director**, The Gleaner Company's UK and North American Boards; Edna Manley College Arts Foundation
- **Trustee**, Dudley Grant Memorial Trust, the YWCA Trust, Caribbean Council (UK)
- **Trustee Member/Secretary**, FIA Foundation

He is former Deputy Chairman of the Jamaica Tourist Board (JTB) and Jamaica Investments Promotions (JAMPRO); former Council Member of the Institute of Chartered Accountants of Jamaica and past President of the Rotary Club of New Kingston. He has served as a member of the National Task Force on Political Tribalism, and as Honorary Secretary of The Private Sector Organisation of Jamaica (PSOJ).

In 2008, Mr Jarrett received the Order of Distinction, in the rank of Commander (CD), from the Government of Jamaica for service to the financial sector; and the Pelican Award from The University of the West Indies Alumni, Florida Chapter, for outstanding work in business development among the Jamaican Diaspora in the USA.

In 2010, he was recognised by the American Foundation of The University of the West Indies as a 2010 recipient of the Caribbean Luminary Awards; received the Pelican Award from the Jamaican Chapter of The University of the West Indies Alumni, for significant contribution to the development of the University and to Jamaica; and the Doctor of Laws (LL.D) degree, honoris causa, from the University of Technology Jamaica. In 2011, Mr Jarrett received a second Doctor of Laws (LL.D) degree from The University of the West Indies.

He was awarded the Kiwanis Club of New Kingston's Man of Excellence award and recognised as the Jamaica Institute of Management (JIM)/Gleaner 2011 Manager of the Year in 2012; and subsequently inducted as a JIM Fellow.

Mr Jarrett was appointed a member of the Electoral Commission of Jamaica in 2013; and in 2014, was inducted into the Council of Volunteer Social Services (CVSS) Hall of Fame for his contribution to the community. In 2015, he was recognised as the Gleaner Honour Awardee for exceptional voluntary service in 2014 and was the 2015 inductee for The Private Sector Organisation of Jamaica (PSOJ) Private Sector Hall of Fame.

In 2016, Mr Jarrett was presented with the Visionary Award by the Mavis & Ephraim Hawthorne Golden Krust Foundation (New York) and Distinguished Member Award by The Institute of Chartered Accountants of Jamaica (ICAJ).

He was again recognized by the Government of Jamaica in 2018 with his appointment to the Order of Jamaica (OJ), for his exceptional contribution to the banking and financial sectors, public service and volunteerism. Mr Jarrett was conferred with his third honorary doctorate, the Doctor of Education in Leadership, honoris causa, by The Mico University College in December 2018.

Parris A. Lyew-Ayee

CD, BSc, M.Eng.

Parris A. Lyew-Ayee joined the Board of Directors of the Jamaica National Building Society (JNBS) in June 2007, having previously served as a Director of NEM Insurance Company (Ja.) Limited, a subsidiary of JNBS. A board member of the JN Foundation since 2007, he was appointed Chairman, JN Small Business Loans in 2009 and Chairman of the JN Foundation in 2018.

With the launch of JN Bank in February 2017, Mr Lyew-Ayee was appointed a board member of the restructured mutual holding company, The Jamaica National Group Limited.

He is also a member of the Board of Directors of the Mona GeoInformatics Institute, and Chairman of the Caribbean Cement Co. Ltd. At the Mona Campus of The University of the West Indies, he is a member of the Campus Council, the Finance and General Purposes Committee, the Campus Audit Committee, the Strategy and Policy Committee and the Buildings & Grounds Committee.

Mr Lyew-Ayee is a member and former President of the Geological Society of Jamaica, a Member of the International Committee for Studies of Bauxites, Alumina and Aluminium (ICSOBA) and the Society of Mining Engineers of the American Institute of Mining, Metallurgical and Petroleum Engineers.

A geologist and mineral engineer, Mr Lyew-Ayee worked at the Jamaica Bauxite Institute since its inception in 1976 and was its Executive Director for 23 years, retiring in June 2018. For his service to the bauxite/alumina industry in Jamaica throughout his career, the Government of Jamaica awarded him the Order of Distinction (Rank of Officer) in 1988, then the Order of Distinction (Rank of Commander) in 2007.

William Mahfood

BSc, Hon. DPS

William Mahfood joined the Board of the Jamaica National Building Society (JNBS) in 2006. He was previously a director of JN Small Business Loans Ltd.

He was appointed as a member of the Board of the restructured mutual holding company, The Jamaica National Group, as well as the JN Financial Group, in February 2017. In April 2019, he was appointed Chairman of JN Money Services Limited.

He is a director of Trade Winds, Worthy Park Estates, JP Snacks Caribbean and Elite Diagnostics Ltd. He joined the family business in 1988 and was Managing Director of the Wisynco Group Ltd. from 1994 -2013. He was appointed Chairman of the Wisynco Group in January 2014.

Mr Mahfood holds the Bachelor of Science degree in Industrial Engineering & Management Information Systems from Northeastern University, Boston, Massachusetts.

He is very active in outreach programmes in Spanish Town and its environs, as well as serving on boards of charitable organisations such as Food For the Poor and The Laws Street Trade Training Centre.

In August 2011, he was conferred with the Honorary Doctor of Public Service degree from the Northern Caribbean University. Mr Mahfood served as President of The Private Sector Organisation of Jamaica, 2014 – 2016.

Board of Directors

Hon. Dorothy Pine-McLarty
OJ, Hon. DBA

The Hon. Dorothy Pine-McLarty has been a member of the Board of the Jamaica National Building Society (JNBS) since September 1998. She has been a Director of JN Money Services Limited since that time and has held a number of other board positions within the Group.

With the launch of JN Bank and the restructuring of the Society, Mrs McLarty was appointed to the boards of The Jamaica National Group Limited and the JN Financial Group. She is also a member of the Board, Proxy and Loans Committees of The Jamaica National Group Limited.

A practicing Attorney-at-law for some 50 years, she retired from partnership of Myers, Fletcher & Gordon, but remains a Consultant. She served as the head of that firm's Property Department from 1992 to 1995 and was Managing Partner of the firm's London office from its inception in 1995 until June 1998. She was also admitted as a Solicitor of the Supreme Court of the United Kingdom in 1995.

Mrs Pine-McLarty is chairperson of the Electoral Commission of Jamaica. She also sits on the finance committee of the University or Technology and served on the Board of Governors of the St. Andrew High School for Girls, her alma mater, for some 40 years.

Mrs Pine-McLarty was awarded the Order of Jamaica in 2007 for outstanding public service and received the Gleaner Company Honour Award for Public Service in 2016. She received the Honorary Doctorate in Business Administration from the University of the Commonwealth Caribbean (UCC) in July 2019.

Jennifer Martin
JP

Jennifer Alayne Martin, an Attorney-at-Law, has been a Director of the Board of the Jamaica National Building Society since the merger of the Jamaica Savings & Loan Building Society and the Society in 2001. She served as Director of the Jamaica Savings & Loan Building Society from 1996 to 2001.

She was appointed a director of the board of The Jamaica National Group Limited and JN Bank in February 2017. Mrs Martin is a Director of the JN Foundation and a Trustee of the JN Group Pension Plan.

A partner with the law firm Robinson, Phillips & Whitehorne, Mrs Martin is based in the firm's St. Ann office. Mrs Martin was admitted to practice as a Solicitor in Jamaica in 1970 and has extensive experience in conveyancing. She is a member of the Jamaican Bar Association and the Northern Jamaica Law Society.

John Small

BA (Hons), CQSW, FCMI

John Small has been a Director of the Jamaica National Building Society since September 1998, and with the restructuring of the Group in 2017, is now a Director of The Jamaica National Group Limited and the JN Financial Group.

He is a graduate of Bradford University, England and a Fellow of the Chartered Management Institute in the UK.

Mr Small is a former Deputy Director of Social Services for the London Borough of Hackney, England, former non-executive Director of North London University and former Lecturer, Department of Sociology, Psychology and Social Work, The University of the West Indies.

He was Chairman of The Planning Institute of Jamaica's "Working Group on International Migration" and founder and first President of the National Association of Returning Residents.

Mr Small was a member of the Board of Governors of United Way of Jamaica, a self-employed international consultant in the Management of Human Services but has now retired.

Peter Morris

MBA, BSc (Hons.)

Peter Morris joined the Board of the Jamaica National Building Society (JNBS) in 1993. He was appointed to the Board of The Jamaica National Group Limited, the Finance Committee of JN Financial Group and the Finance and Loan Committees of JN Bank in February 2017.

He was appointed Chairman of JN General Insurance Company Limited in April 2019. He is also Chairman of JN Life Insurance Company Limited and JN Mutual Funds.

He also serves on the Board of JN Fund Managers Limited. He is a member of the Finance, Compensation and Proxy Committees of The Jamaica National Group Limited, the Finance Committee of JN Financial Group, and the Finance and Loans Committees of JN Bank.

Mr Morris has a Bachelor's Degree in Economics from The University of the West Indies and an MBA in Finance from the Columbia University Graduate School of Business. He has more than 25 years of business experience at the management and Board level in Jamaica, the United Kingdom and the United States.

Board of Directors

Raphael Gordon

FCA (Ja), FCCA (UK), FCMA (UK), CGMA (UK & USA)

Mr Raphael Gordon, retired Managing Partner of KPMG in Jamaica and Chairman of KPMG CARICOM, joined the Board of Directors of the Jamaica National Building Society (JNBS) in November 2009. With the restructuring of the Society and the launch of JN Bank on February 1, 2017, Mr Gordon was appointed a director of the boards of The Jamaica National Group Limited, the JN Financial Group and the JN Bank.

He is also Chairman of the MCS Group, the JN Group non-financial holding company, Chairman of the Audit Committee for The Jamaica National Group Limited, the JN Financial Group and JN Bank, as well as the JN Pension Scheme. He is the Chairman of the Contributory Pension Fund for Jamaica National Building Society and subsidiary companies.

A Chartered, Certified and Global Cost and Management Accountant, Mr Gordon is a former Chairman and Deputy Chairman of Caymanas Track Limited, a former Commissioner, The Casino Gaming Commission; a former member of the Air Jamaica Audit and Finance Committee and the EDP Auditors Association Inc., and is a current member of the Public Accountancy Board; past President of the Institute of Chartered Accountants of Jamaica (ICAJ) and a former Director of the Institute of Chartered Accountants of the Caribbean. He is a former Chairman and Trustee of The Management Services Limited 2004 Pension Fund. He has also served as the Jamaican representative on the Association of Chartered Certified Accountants' International Assembly.

In recognition of his outstanding contribution to the accounting profession and development of the ICAJ, Mr Gordon received the Institute of Chartered Accountants of Jamaica Distinguished Member Award in 2008.

Kathleen AJ Moss

MBA, BSc

Mrs Kathleen Moss is a Management Consultant and Chartered Business Valuator with Sierra Associates, an independent advisory and business valuation firm, which she established in 1993.

She was appointed Chairman of JN Bank Limited in April 2019. She joined the Board of the Jamaica National Building Society (JNBS) in 2012 and became Chairman of JN General Insurance Company (JNGI) in 2015, having served on the JNGI board since 1996. Mrs Moss has been a member of the JN Audit and Finance Committees since their inception in the mid-1990s.

Mrs Moss was appointed a director of The Jamaica National Group Limited, the JN Financial Group and JN Bank in February 2017 and is a member of the Audit and Finance Committees of these companies. She serves on the boards of Jamaica Producers Group, Assurance Brokers Jamaica [Limited,] Pan Jam Investment and Kingston Wharves. She also serves on the Executive Committee of Jamaica Producers Group and chairs the audit committees of Jamaica Producers Group and Pan Jam, the Compensation and Leadership Development Committee of Kingston Wharves and the Governance Committee of Pan Jam.

Prior to establishing Sierra, Mrs Moss worked with the consultancy practice of Price Waterhouse. She is a trustee of the Violence Prevention Alliance and is Chairman of the Finance Council of the Roman Catholic Archdiocese of Kingston. She is a member of the Canadian Institute of Chartered Business Valuations and a graduate of The University of the West Indies and McGill University.

Shakira Pickersgill
BA, BSc
Corporate Secretary

Shakira Pickersgill, who was appointed Corporate Secretary for The Jamaica National Group Limited in September 2019, brings extensive knowledge and vast experience in corporate secretarial services and corporate governance procedures, practices and compliance to the JN Group. She was previously employed to the Development Bank of Jamaica Limited for more than 15 years as Company Secretary and Legal Officer.

She is an Attorney-at-law and graduate of the Norman Manley Law School where she attained the Council of Legal Education's Legal Education Certificate. Ms Pickersgill is also a graduate of the College of Law of England & Wales where she undertook post graduate studies in Legal Practice. She attended The University of Sussex where she attained a Bachelor of Laws (Hons) degree and also holds a Bachelor of Science (Hons) Management Studies degree from The University of the West Indies, Mona.

Ms Pickersgill is a member of the Jamaican Bar Association; the Jamaica China Friendship Association; and the Mustard Seed Communities' Powerful Women and Men Perform for Charity Planning Committee; and is a Trustee of the Libnah Graham Foundation.

Jerusha Bent
MBA, CISA

As IT Audit Manager of The Jamaica National Group Limited since 2017, Jerusha Bent is tasked with the responsibility of conducting investigations into the operations of the companies within the JN Group and to communicate audit findings to the relevant stakeholders.

She started her tenure in the Internal Audit Department of the Jamaica National Building Society in 2002 as an Internal Auditor, and subsequently worked in the capacities of Senior Auditor and Assistant Audit Manager. She was elected JN Staff Director in 2018.

In 2009, she obtained an Executive Masters in Business Administration from the now Mona School of Business and Management. She is a Certified Information Systems Auditor, an ACCA graduate and a member of the Institute of Internal Auditors (IIA).

Ms Bent is the President of the Westmeade Willows Citizens' Association and has been an active member of the Lions Club of St. Andrew since 2011. She has served the Club as, Committee Chair, has been a Director since 2013 and is currently the Club's Treasurer. She has also served as District Officer – Sergeant at Arms, for Lions Clubs International Sub-District 60B.

Governance

Corporate Governance Report

The Jamaica National Group Limited (the Company) was incorporated under the Companies Act, 2004 as a limited company, without share capital, on the sixteenth day of December 2016, and is a mutual organisation owned by its members. The Company is the mutual holding company for the JN Group (the Group) and owns all the entities in the Group, which consists of a financial holding company and its subsidiaries, and a non-financial holding company and its subsidiaries.

Observance of corporate governance international best practices, procedures, standards and guidelines, as well as adherence to local statutory and regulatory obligations, govern the Company's systems of compliance, transparency, accountability and efficiency. This has ensured the establishment and maintenance of a solid corporate governance framework, foundation and structure with a clear separation of powers and responsibilities within the organisation.

THE BOARD

Overview

The Company is overseen by a Board of Directors comprised of 13 members, including a Staff Director. The fundamental remit of the Board is to approve the Company's strategic direction and provide general oversight of the Group's businesses and affairs; and to exercise reasonable business judgment on behalf of the Group.

The activities of the Group are closely monitored by the Board through a well-established governance framework which helps to ensure the selection and appointment of qualified and competent management to administer the management functions of the Company.

Membership

The majority of the Board of Directors is made up of independent Directors whose qualifications, skills, expertise, experience and service to Jamaica help to ensure that the the Group operates within stipulated ethical and legal guidelines; and that proper records and accountability standards are established, maintained, documented and audited, thereby ensuring the highest standards of corporate governance principles and practices.

The composition of the Board is reviewed each year in order to maintain the appropriate mix of experience and competence. Where it is considered that the Board would benefit from the services of a new Director, a critical assessment of qualified candidates is conducted and the most suitable individual selected.

Attendance at Meetings

During the financial year, the Company had four (4) Board meetings, with attendance as follows:
two (2) meetings were attended by 12 Directors (including the Staff Director); one (1) meeting was attended by 11 Directors (including the Staff Director); and one (1) meeting was attended by 10 Directors (including the Staff Director).

Board Committees

The Board has established various Committees to assist it in accomplishing and adhering to its governance, supervisory and oversight responsibilities. These Committees include majority independent Board members as recommended by best practice standards. There are five (5) Committees of the Board:

Audit Committee

The Audit Committee gives oversight to internal audit and the relationship with external auditors; and ensures integrity of financial reporting. It has responsibility for review and oversight of the financial statements, internal financial controls, the Group's compliance with laws and regulations; requests/ oversees special investigations; reports to members; reviews the performance of the Chief Internal Auditor with authority to terminate; oversees the relationship with the external auditors and the Regulators and responds to regulatory reports.

The Committee meets bi-monthly and submits bi-monthly and annual reports to the Board. It receives periodic reports from the Executive, Group Internal Audit; the Assistant General Manager Chief Accounting, Taxation and Reporting Officer; Head, Risk & Compliance, JN Bank Limited and the external auditors.

The Committee is comprised of three (3) independent members selected by the Board:

Raphael Gordon, CD - Chairman
Sethuraman Kumaraswamy
Kathleen Moss

Six (6) meetings of the Committee were held during the financial year and all meetings were attended by all three (3) members.

Finance Committee

The Finance Committee oversees credit, market and operational risk management; monitors risk profile; ensures legal and regulatory compliance and assists the Board in its risk oversight role by overseeing the risk management framework and monitoring the organisation's adherence to limits and tolerance levels established by the Board. The Finance Committee also ensures that policies for enterprise-wide risk management are in place.

The Committee meets quarterly and receives reports from various Committees. During the reporting period the Committee met four (4) times: one (1) meeting was attended by six (6) members, two (2) meetings were attended by five (5) members, and one (1) meeting by four (4) members.

The Finance Committee is comprised of seven (7) Directors nominated by the Compensation, Governance and Nomination Committee and appointed by the Board, six (6) of whom are independent. It is assisted in its deliberations by the Chief Executive Officer.

The members of the Finance Committee are:

Elizabeth-Ann Jones, CD – Chairman
Hon. Earl Jarrett, OJ, CD, JP, CStJ, Hon. LL.D, Hon. EdD
Parris Lyew-Ayee, CD
William Mahfood, Hon. DPS
Peter Morris
Kathleen Moss
Dhiru Tanna, PhD

Compensation, Governance and Nomination Committee

The Compensation, Governance and Nomination Committee is responsible for evaluating the Group's Executive team. It has oversight of Board and Executive compensation systems to ensure alignment with long-term objectives; succession planning; recommends Executive and Board remuneration; commissions industry compensation surveys; reviews compensation and incentives and meets with the Chief Risk Officer and Finance Committee to ensure risks are being managed in this area; makes recommendations on liability insurance; and delegates areas of its authority to the Group Human Resources Development (GHRD) Department.

The Committee also ensures application of corporate governance best practices and approves corporate structure. It provides leadership of the Group's governance processes: Director qualification reviews, nominations, appointments, evaluations, retirements and removals; recruitment and evaluations of the Chief Executive Officer, Corporate Secretary and Committees; members' proxies; succession planning; Board and organizational structure.

The Committee comprises the Chief Executive Officer and three (3) independent Directors selected by the Board, and is assisted in its deliberations by the Executive, GHRD. The Committee receives reports on compensation, evaluation and succession planning from the Executive, GHRD.

The Committee is comprised of the following persons:

Dhiru Tanna, PhD - Chairman
Hon. Oliver Clarke, OJ, Hon. LL.D
Hon. Earl Jarrett, OJ, CD, JP, CStJ, Hon. LL.D, Hon. EdD
Peter Morris

Group Conduct Review Committee

The role of the Group Conduct Review Committee is to assist the Company and its Board of Directors in avoiding conduct risk, thereby strengthening corporate governance. The principal purpose of the Group Conduct Review Committee is to review and regulate matters dealing with key stakeholders' conduct including related party transactions, conflicts of interest, fraud, sexual harassment, and whistle blowing. The Committee comprises the Chief Executive Officer and seven (7) independent Directors selected by the Board, and is assisted in its deliberations by the General Legal Counsel.

The Committee members are:

Cary Fenton - Chairman
Hon. Earl Jarrett, OJ, CD, JP, CStJ, Hon. LL.D, Hon. EdD
Hon. Shirley Tyndall, OJ, CD
Christopher Barnes
Peter Morris
Kathleen Moss
Kay Osborne
Errol Ziadie

Proxy Committee

The Proxy Committee is special Committee of the Board comprised of the Board Chairman, Board Deputy Chairman and three (3) incumbent Directors. The current members of the Committee are:

Hon. Oliver Clarke, OJ, Hon. LL.D – Chairman
Hon. Earl Jarrett OJ, CD, JP, CStJ, Hon. LL.D, Hon. EdD
Hon. Dorothy Pine-McLarty, OJ, DBA
Jennifer Martin
Peter Morris
Dhiru Tanna, PhD

The Committee's mandate is to consider and approve the appointment of general proxies with respect to meetings of the shareholders of the Company.

Audit Committee Report

We are pleased to present our report for the financial year ended March 31, 2019.

Audit Committee members and attendance

The Audit Committee consists of the three (3) members listed below. Meetings are scheduled for every other month. During the year, six (6) meetings were held. KPMG was invited to two (2) of these meetings and key members of the audit engagement team attended and discussed significant matters relating to March 31, 2018 year-end audit and plans for the year ending March 31, 2019. Dates of meetings and attendance by committee members were –

	12/4/18	12/6/18	14/8/18	9/10/18	11/12/18	9/2/19
Raphael Gordon *(Chairman)*	✓	✓	✓	✓	✓	✓
Kathleen Moss	✓	✓	✓	✓	✓	✓
S. Kumaraswamy	✓	✓	✓	✓	✓	✓

KEYS: Present ✓ Apology received ✦

Audit Committee responsibilities

The Audit Committee has the following key functions and responsibilities:

- Review and discuss with management and the external auditors accounting and financial reporting issues.
- At least annually prior to the filing of the audit report with the Bank of Jamaica or other regulatory bodies, review and discuss reports from the external auditors.
- Consider the effectiveness of internal control systems, including information technology security and controls.
- Review with management, the external auditors and the chief internal auditor plans, activities, staffing and organisational structure of the internal audit function, and any recommended changes thereto, as well as staff qualifications.
- Meet with the external auditors to discuss the external auditors' independence, proposed audit planning, scope, staffing and approach, including
- Review the effectiveness of the system for monitoring compliance with laws and regulations.
- Meet with management to review the company's major financial risk exposures and the steps management has taken to monitor and control such exposures, including the company's risk assessment and risk management policies.
- Regularly report to the Board of Directors about Committee activities, issues and related recommendations.
- Annually review the Committee's own performance.
- Evaluate the Internal Audit Unit on an annual basis.

The effectiveness of Internal Controls

The main objectives of the internal controls system are:

a. to ensure adherence to management policies and directives in order to achieve efficiently and economically the organisation's objectives;
b. to safeguard assets;
c. to secure the relevance, reliability and integrity of information, so ensuring as far as possible the completeness and accuracy of records; and
d. to ensure compliance with regulatory and statutory requirements.

Based on the work undertaken during the year and the implementation by management of the recommendations made, Internal Audit can provide reasonable assurance that the Group has adequate and effective governance and internal control processes. Some compliance issues and non-adherence to policies were noted, communicated and are being followed up by management, Internal Audit and the Risk & Compliance Department to avoid recurrence.

Training and Development

In today's rapidly changing financial landscape, the aim is to ensure that the Group Internal Audit Unit's employees keep abreast of the latest technical knowledge and best practice standards to effectively carry out their functions. To achieve this, members of the department participated in various internal and external training sessions. The training sessions covered Anti Money Laundering, IFRS 9, Taxation & Accounting, Corporate Governance, IT Audit /Security Essentials, EU General Data Protection Regulations (EU GDPR). Additionally, members of the Unit are pursuing internationally recognized Professional Designation programmes, including Certified Internal Auditors (CIA) and Association of Chartered Certified Accountants (ACCA). Three persons attained professional certification during the year.

Content and Quality of reports prepared by the Internal Audit Unit

In keeping with its mandate, the Committee received regular updates from the Chief Internal Auditor. Significant areas requiring improvements in internal controls were noted by the internal auditors. The final reports, which include management's risk corrective action plans were presented to the Committee at the scheduled meetings. Significant matters were brought to the attention of the boards at Board meetings. In addition, minutes of each Audit Committee meeting and bi-monthly Group Audit Committee reports were submitted to the Board for the period April 2018 to March 2019.

External Auditors

We had meetings and discussions with the external auditors to identify any significant audit issues arising from their examination and issues communicated in their management letters. There were no major issues arising from their examination. Internal Audit followed up on the matters included in the external auditors' management letters to have management deal with them. Their independence was also evaluated and we are satisfied that they have maintained their independence as required by The International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code).

A 2019 audit planning meeting was also held at which we discussed:

- The Auditors' responsibilities in relation to the audit.
- Whether the Audit engagement team has complied with relevant ethical requirements regarding independence.
- Planned scope and timing of the audit, including materiality, areas of significant risks of misstatement, auditors' approach to internal controls, significant accounting policies (based on significance and/or complexity), significant accounting policies requiring use of judgment, initiatives to increase audit efficiency and the audit timetable.
- Standards applicable for the year ending March 31, 2019 and probable effect on the audited financial statements and
- Significant difficulties which were encountered during the 2018 audit and plans to avoid them in 2019.

Audit Committees

The Audit Committees comprising Raphael Gordon (Chairman), Kathleen Moss and Sethuraman Kumaraswamy were appointed in March 2017 for The Jamaica National Group Limited, JN Financial Group Limited and JN Bank Limited.

Evaluation of Financial Statements

The audit approach to be used by the external auditors, KPMG, for financial years ending December 31, 2018 and March 31, 2019 was presented at the December 2018 Audit Committee Meeting. A meeting will also be held with KPMG to discuss the 2019 audited financial statements. The Committee will then make its recommendation to the Board.

The Audit Committee reviewed and approved audited financial statements for:

- The Jamaica National Group Limited and all its subsidiaries as at and for the year ended March 31, 2018.
- JN Financial Group Limited and all its subsidiaries as at and for the years ended December 31, 2017 and March 31, 2018.
- JN Bank Limited as at and for the year ended March 31, 2018.
- MCS Group Limited and all its subsidiaries as at and for the year ended March 31, 2018.
- Jamaica National Individual Retirement Scheme as at and for the year ended December 31, 2018.
- JNBS & Subsidiaries Pension Schemes as at and for the year ended December 31, 2018
- JN Foundation as at and for the year ended December 31, 2017
- JNFM Mutual Funds Limited for year ended March 31, 2018
- JN Life and JNGI as at and for year ended December 31, 2018, Financial Statements and abridged Financial Statements for publication were also reviewed and approved.

The 2018 Directors' reports for JN General Insurance Company Ltd (JNGI) and JN Life Insurance and The Jamaica National Group Limited 2019 annual report were also reviewed and approved.

Comments on subsidiaries

Internal audit reviews were conducted at entities within The Group during the year, per the Internal Audit Plan. The scope of the reviews included follow up on points raised in internal audit and external audit reports and regulatory reports (where applicable). Matters discussed in respect of JN Fund Managers Limited (JNFM) and other group subsidiaries which do not have their own Audit Committees were submitted to their General Manager for submission to their respective Boards. Meetings were held quarterly for JNGI and JN Life Insurance. Summaries of the issues discussed were included in the reports to The Jamaica National Group Limited Board and the JN Financial Group Limited Board. Reports for the other entities were discussed at The Jamaica National Group Limited, JN Bank Limited or JN Financial Group Limited Audit Committee meetings. The committees are satisfied that issues raised in audit reports were addressed or are being addressed by management.

Annual evaluation

Audit Committees and the Internal Audit evaluations for the year ended March 31, 2019 were discussed and agreed at the April 16, 2019 Audit Committee meeting.

Raphael Gordon

Raphael Gordon
Chairman

Finance Committee Report

The Finance Committee of The Jamaica National Group Limited oversees credit, market and operational risk management, monitors risk profile, ensures legal and regulatory compliance and assists the Board in its risk oversight role by overseeing the risk management framework and monitoring the organisation's adherence to limits and tolerance levels established by the Board. The Committee also ensures that policies for enterprise-wide risk management are in place.

The Committee is comprised of seven (7) Directors nominated by the Governance Committee and appointed by the Board, six (6) of whom are independent. It is assisted in its deliberations by the Chief Executive Officer.

BOARD FINANCE COMMITTEE REPORT

We are pleased to present our report for the financial year ended March 31, 2019.

FINANCE COMMITTEE MEMBERS AND ATTENDANCE

Details of the membership of the committee and their attendance at committee meetings are listed in the table below:

	MEETING DATES			
MEMBERS	20/12/18	07/1/19	28/02/19	18/03/19
Elizabeth-Ann Jones	✓	✓	✓	✓
Parris Lyew-Ayee	✓	✓	✓	✓
Dhiru Tanna*	✦	✦	✦	✦
William Mahfood	✦	✓	✦	✦
Earl Jarrett	✓	✓	✓	✓
Peter Morris	✓	✓	✓	✓
Kathleen Moss	✓	✓	✓	✦

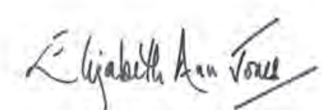
KEYS: Present ✓ Apology received ✦

*Dr. Tanna's absence from committee meetings as of December 2018 was due to illness.

FINANCE COMMITTEE RESPONSIBILITIES

Since the transition of the Building Society to a Commercial Bank and the formation of The Jamaica National Group, the committee has assisted the Board of Directors in its oversight responsibilities. The committee has responsibility to:

- Establish the Group's risk policies, including risk tolerances and ensure that senior management establish an enterprise wide risk management framework for all business units;
- Monitor exposures against established limits;
- Ensure that senior management implement processes to identify, measure, monitor and control risks (credit, market, liquidity, operational and strategic);
- Review the Group's capital structure, dividend policy, annual capital plan, capital adequacy process, capital raising and capital allocation across The Jamaica National Group, JN Financial Group, MCS Group and their subsidiaries;
- Ensure that appropriate Credit and Risk policies are in place in all companies;
- Review monthly financial statements and monitor performance of each company against established targets and make recommendations for performance improvement;
- Review any initiatives, including appraisal of investments, mergers, acquisitions and disposals that exceed management thresholds and make recommendations to the Board as necessary;
- Review financial forecasts, operating budgets, capital expenditures, expense management and performance relative to competitors.

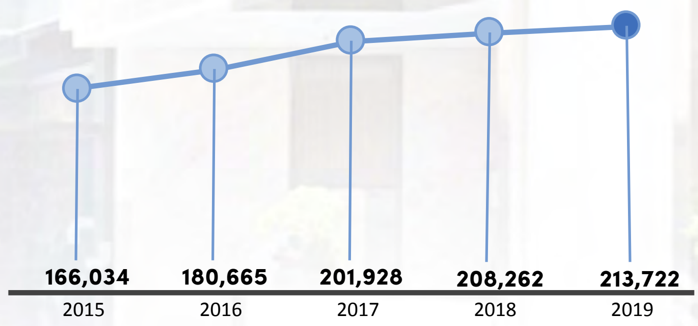


Elizabeth Ann Jones, CD
Chairman

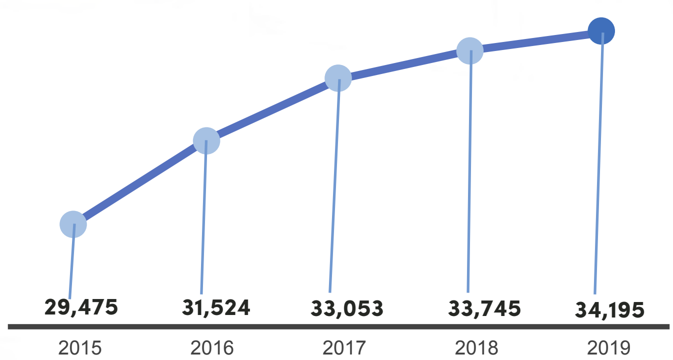
Financial Highlights

	2015	2016	2017	2018	2019	2016v 2015	2017v 2016	2018v 2017	2019v 2018
Total Assets (J$M)	166,034	180,665	201,928	208,262	213,722	8.8%	11.8%	3.1%	2.6%
Total Equity (J$M)	29,475	31,524	33,053	33,745	34,195	7.0%	4.9%	2.1%	1.3%
Loan Balance (J$M)	60,135	66,229	78,267	87,519	97,507	10.1%	18.2%	11.8%	11.4%
Total Customer Deposits (J$M)	90,498	101,057	114,163	118,071	129,493	11.7%	13.0%	3.4%	9.7%
Total Operating Revenue (J$M)	17,735	17,553	19,000	19,178	21,016	-1.0%	8.2%	0.9%	9.6%
Surplus before taxes (J$M)	3,620	2,047	2,157	1,625	1,272	-43.5%	5.4%	-24.17%	-21.7%

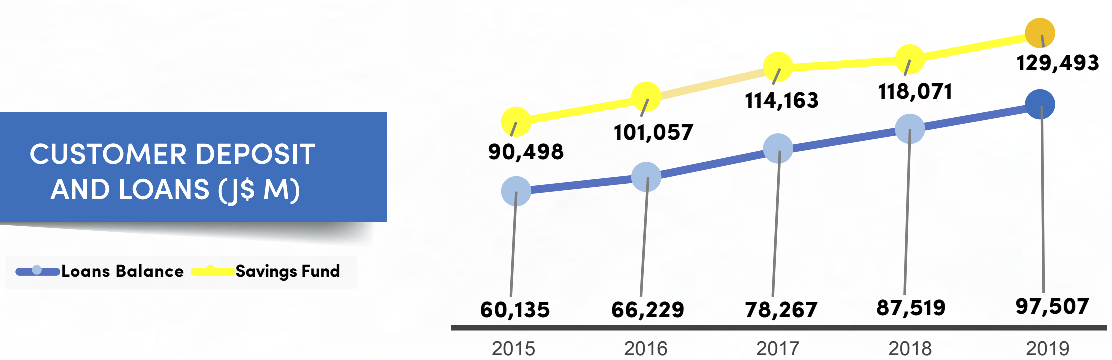
TOTAL ASSETS (J$ M)



TOTAL EQUITY (J$ M)



CUSTOMER DEPOSIT AND LOANS (J$ M)



Chairman's Report

Hon. Oliver F Clarke, OJ, JP, Hon. LL.D, FCA, BSc (Econ)

Since the reorganisation of the JN Group in 2017, we have been focused on the alignment of the companies and organisations, and adjusting our operations to reflect the new business model. Inherent in this is our continued commitment to providing solutions and products to help our members and customers to achieve their goals. This is now the second year of our operation as a mixed conglomerate; and I can report that, while the change process has been taxing, we have stayed on course. Pivotal to this journey is our focus on putting our members first, as depicted by the theme *'People First'*; and by ensuring that we remain true to our tagline and those whom we serve that: *"We'll help you find a way."*

Socio-Economic Landscape

Socio and macroeconomic factors, as well as competitive market conditions, provided a challenging backdrop for the reporting period. The country's public debt continued its positive downward trend, resulting in the Gross Domestic Product (GDP) decreasing to 96 per cent in March 2019, down from 115 per cent in April 2018. There was also a marginal growth of 1.5 per cent in the Jamaican economy; and a decline in the unemployment rate to 7.8 per cent. It was also a good move by the government, to forgo the imposition of new tax measures for the 2018/19 fiscal year, as this allowed for an increase in public savings, which should also induce increased private investment.

However, there were other factors that influenced our Group's performance, such as the volatility in the rate of the Jamaican dollar, which impacted our budgeted foreign exchange gains and resulted in record lows in market interest rates. Crime and violence remains a huge negative factor to several aspects of our operations, particularly our small and microfinance entities. It impeded our ability to offer services to our members and customers, in areas with high levels of crime and social dislocation; as well as, made it difficult for our members to engage in productive ventures. The imposition of public states of emergency in several parishes; and the resultant restricted activities, also impacted the ability of members to meet their financial loan obligations in a timely manner.

Coupled with this was the high level of corruption, which has added to the challenging environment in which we operate. According to Transparency International, Jamaica was at number 70 out of 175 countries on the 2018 Corruption Perceptions Index (CPI), which ranks countries and territories based on how corrupt their public sector is perceived to be. Jamaica has averaged 72.32 since the Index was established in 1998.

The perception of corruption has also had severe implications for Jamaica, and by extension the Caribbean Region, particularly in the area of correspondent banking, which the Chief Executive Officer has addressed in greater detail.

Organisational Review

We posted creditable financial results against those factors, which is reflective of the strength, management and operational efficiency of the business. Our total assets for the year ending March 31, 2019 grew to \$213 Billion, comprising \$210 Billion for the financial group of companies and \$3 Billion for the non-financial group of companies. Our net surplus of \$813 Million, while not robust, was in line with expectations of the transition process; and reflects our ongoing investment in the business, with an emphasis on delivering capabilities, to meet the evolving needs of our members and customers.

Our year-end performance is an indication of the commitment we have made to reinvest in our business lines, to provide our members and customers with better value products and services; and to support the communities in which we operate. These financial results reflect our building process; as we embrace the changes brought about by the transition, and lay a solid foundation as we evolve.

As one of the most diverse financial groups in Jamaica, we continue to advocate for policies and programmes, which will facilitate greater contributions from financial institutions to strategic areas of national development. We reiterate our call for the government to reduce the level of taxation on financial institutions given the attendant impact on members and customers who continue to bear these costs directly and indirectly. The high cost of capital and banking taxes, including the 33 per cent Asset Tax, inhibit our ability to reduce interest rates, which would, in turn, spur growth in the economy. The removal of the tax would immediately facilitate more funds being made available in the financial sector for customers to access.

Once again, we propose that the government lowers the cash reserve requirements for financial institutions which provide financing for student loans, small business loans, mortgages and agriculture loans. This reduction would release more funds to deposit-taking institutions to on-lend to customers, thereby supporting the expansion of credit to businesses and households. We have seen signals that these proposals are finding merit in the right quarters; and, therefore, it is anticipated that during the 2019/2020 financial year, our lobbying efforts will bear fruit.

Subsequent to the end of the 2018/2019 financial year, the government announced the abolition of the asset tax paid by non-financial institutions; and its intention to extend this to financial institutions as well. The Bank of Jamaica (BOJ) also reduced the cash reserves requirements for deposit-taking


People First.

Chairman's Report cont'd

institutions twice, effectively releasing more funds to enable greater access to credit for businesses and households at lower rates and on better terms.

We were also fortunate during the past financial year that, Jamaica, or any of the territories in which we operate, were not severely impacted by hurricanes or other natural disasters associated with climate change. However, we can use the misfortunes faced by others, to ensure that we have appropriate response mechanisms to address such challenges. Jamaica needs to ensure that disaster resilience and response programmes are in place, to mitigate against any possible impact on the country.

We are pleased that the focus and partnerships which the companies in our Group have undertaken are in strong alignment with the United Nations' 17 Sustainable Development Goals (SDGs). The SDGs address the global challenges related to poverty, health and well-being, empowerment, education, inequality, climate change, safety and security; as well as, environmental degradation, peace and justice. Through the work of the JN Foundation, and the products, services and programmes initiated through the companies in the JN Group, we have made meaningful impact in each of these areas.

Directors

I am pleased to report that the Boards of Directors across the JN Group continue to give keen oversight to the operations of the companies within the Group, to ensure the protection of the interests of members and customers. The Boards have collective responsibility for setting the strategy, holding Management teams to account; and reinforcing the culture and values that make the JN Group unique.

I take this opportunity to thank all the Directors of the Boards, of the more than 20 companies within the JN Group, for their unfailing commitment to the growth and success of the Group; and, by extension, the members and customers whom we serve.

In that vein, pursuant to Sections 97 and 98 of the Articles of Incorporation of The Jamaica National Group Limited, the retiring Directors by rotation are:

1. Mr William Mahfood
2. Mrs Jennifer Martin

These two directors, being eligible, offer themselves up for re-election.

I also use this opportunity to congratulate our Chief Executive Officer, the Hon. Earl Jarrett, on being conferred with the Order of Jamaica (OJ), by the Government of Jamaica, for his exceptional contribution to the banking and financial sectors, public service and volunteerism. Mr Jarrett was also awarded an honorary degree, Doctor of Education in Leadership, by The MICO University. We are proud of Mr. Jarrett's leadership and accomplishments; and the positive changes that he has initiated within Jamaica National and the nation, at large.

Employees

The JN team continues to show strong commitment to the success of the Group; and I thank and commend all our employees for their hard work and commitment at this important time in our journey. They are the solid foundation on which we build the JN Group; and, on behalf of the Board of Directors and Management teams, we thank them wholeheartedly for their strong show of support; as well as, the enriching experience that they bring to member interaction.

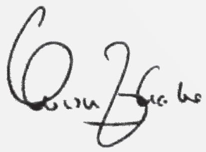
Auditors

In accordance with the Articles of Incorporation of The Jamaica National Group Limited, the firm KPMG, Chartered Accountants and auditors of the JN Group, retires and, being eligible, offers itself for re-appointment.

Looking Ahead

As we chart our place in the new and constantly evolving financial landscape, I firmly believe that the JN Group is moving in the right direction. We recognise that the financial sector, locally and globally, is changing at a rapid pace; and, therefore, to be successful, companies such as ours, must keep pace with these changes. And, there is more work to be done, to position ourselves for continued success in this new paradigm.

All of the changes we are making, as a result of our transition, are crucial components of how we deliver products and services, which demonstrates in tangible ways, that we are committed to our members; and we will continue to live up to our pledge, *"We'll help you find a way."* The JN Group remains committed to providing its members and customers with high value, innovative products and first-class services; and to be your choice of institutions for financial and other services.



Hon. Oliver Clarke, OJ, JP, Hon. LL.D, FCA, BSc (Hon.)

People First.

Authentic.

Chief Executive Officer's Report

Hon. Earl Jarrett
OJ, CD, JP, CStJ, Hon. LL.D, Hon. EdD, FCA, MSc

I report on the performance of the **JN Group** during a year of change and alignment – change in continuation of the transition from a unitary type building society grouping, to a conglomerate structure with two distinct group of companies; and their alignment to the mission and vision of the Group.

The change is to ensure that we better serve and support our members and customers; and continue to grow strong, stable and sustainable businesses. We have streamlined our business models into financial and non-financial entities; and efficiently aligned our operations, to improve the provision of services to approximately one million members, customers and their families. This is in keeping with our commitment to put *"People First,"* by helping them to improve their lives and secure a better future.

The companies in the financial group are in the areas of banking, life and general insurance, wealth management, mutual funds and micro financing; while the non-financial group include vehicle fleet management and logistics, information technology, debt collection and re-organisation, and property management; as well as, advertising and marketing. During the year, there was the addition of media services, through ***The Voice*** newspaper, the only Black newspaper in the United Kingdom (UK).

In keeping with the theme of *"change and alignment,"* the JN Group embarked on a series of technology upgrades, which allowed us to boost our service quality and product offerings, to do things differently. This involved leveraging "new age banking" by enhancing our internet banking and automated teller services; improving banking and financial services, including our Anti-Money Laundering management and supervision; increasing our efficiency in wire transfer services; initiating plans to implement a queuing system to improve customer experience and reduce waiting time in branches; upgrading the Call Centre's services; implementing a Customer Relationship Management (CRM) software system; and strengthening our *"Know Your Customer"* compliance programme across the Group.

We are also mindful of the need for the seamless integration of people and technology. As such, we are exploring ways to improve the use of the new systems, such as "smart ATMS", which we have in our business lines. And, we are pleased to report that, having engaged with technology in a more focused manner, it has enabled us to spend more time shaping the delivery of new products and services; and allowed more time for us to interact with our members and customers, in more meaningful ways.

Positive Outcomes

The deposit-taking institutions performed creditably, accounting for approximately $16.6 Billion in new funds associated with some 69,000 new accounts. This increased the overall savings portfolio to $129.5 Billion by the end of the financial year, up from $118 Billion; while funds under management at our investment house stood at $31 Billion up from $27 Billion the previous year.

On the loan side, our lending institutions, **JN Bank Limited, JN Small Business Loans Limited, JN Fund Managers Limited** and **JN Cayman**, approved more than 41,000 loans valued at just over $30 Billion. The majority of those loans were in the areas of housing finance, small and micro enterprise, personal loans and premium financing.

Jamaica National continues to be at the forefront in the provision of financial solutions, to deliver a better quality of life for many Jamaicans. Approximately one-third of our combined loan disbursement portfolio enabled our members to realise their home acquisition goals, having received mortgages valued at just under $10 Billion. Another area which has shown steady progress is our business loan financing programme. During the year, we disbursed $1.8 Billion in development and real estate loans, and have strengthened our team, to further build out this portfolio; and make a larger contribution to this sector.

Collectively, we have invested approximately $85.2 Billion through loans in various sectors. More than 70 per cent of the portfolio went to housing finance and personal loans, including unsecured loans; and credit cards, due to lower interest rates on credit card payments.

As a firm supporter of business development, we facilitated members and customers to access creative financing options. Our microfinance company, **JN Small Business Loans Limited**, remained dominant in this sector for a third consecutive year, with a record-breaking performance of disbursing $6.1 Billion in loans in one year, topping the record performance of $5 Billion last year. This is a 22 per cent increase in disbursements over the previous year. Of equal significance is the fact that, more than 16,000 persons were beneficiaries of these loans; and the funds enabled the creation and maintenance of more than

Chief Executive Officer's Report cont'd

200,000 jobs. This is testament to our belief that small and micro enterprises are critical to the sustained growth of our Jamaican economy.

The Group's contribution to the automotive sector is evident by our investment of $563 Million in motor vehicle loan financing. Approximately 3,200 members and customers benefitted from the flexible premium payment options; and adequate motor insurance coverage, through the premium insurance financing offered by JN Bank.

We are also looking at implementing blended products, to create unique experiences for members and customers, in a bid to realise our objective to provide them with full package solutions across the Group. Some of these products will be rolled out during the 2019/2020 financial year.

Overall, we are pleased with the contribution that our Group has made to enable access to funding for critical sectors of the economy.

Local Impact

As a strong proponent of the value of leadership, the JN Group invited retired **Four-Star United States Army General, Stanley McChrystal**, to share his perspectives on leadership. His address to Jamaican private and public sector leaders, under the theme: "***Leadership in a Time of Change***," emphasised the value of effective leadership which can create a movement; and can be sustained long after the leader is gone. The engagement was successful with more than 140 persons in attendance at the events.

The JN Group, by virtue of its "mutual" history, continues to support our Jamaican community through sponsorships and investment in our flagship corporate social responsibility vehicle, **JN Foundation**; the arts and education in general, particularly through the awarding of scholarships. And, through our affiliation with the Caribbean Policy Research Institute (CAPRI), we help to inform policy decisions in the Caribbean.

We are focused on putting "**People First**" in all our engagements with our key stakeholders, members, suppliers and regulators. A key element of our accountability framework is that surveys are conducted consistently, to determine the levels of customer and member satisfaction across the Group. JN Bank is "*best-in-class*" among its peers in customer service, low fees and charges; as well as, for paying the highest interest on savings accounts. While our customer satisfaction rating slipped by 9 per cent, the lowest in 12 years, it remains high in comparison to our competitors. The decline in customer satisfaction can be attributed to the increased response to our offerings in the marketplace, which resulted in particularly long waits in branches; and was mentioned as the primary reason for the levels of dissatisfaction.

The most recent Johnson Survey of 1,600 persons indicated that, while we have lost some ground in the overall positive perceptions of Jamaica National, the JN Brand remains strong; but we also note that our competitors are improving. We are pleased that our customers are of the view that JN employees are helpful; and that, we care about the well-being of our members and customers. It is our intention to address the anomalies highlighted in the survey, by putting in place the necessary training and resources to address the increased demand for our products and services.

Global Impact

The name, "**Jamaica National**," has become a strong reference point for positive information about, and support for Jamaica, particularly in Jamaican Diaspora communities. The JN Group, including our subsidiary, **The Voice** newspaper, supported activities to celebrate **Windrush 70**, which marked the official start of Caribbean migration to the United Kingdom (UK). That event also coincided with the celebration of the 30th anniversary of JN's presence in the UK. In Canada, the **JN Expo** provided the opportunity to engage with JN Members in Toronto and Montreal; and strengthened our efforts to increase our connections in the Jamaican-Canadian community.

The 15th staging of the ***Outlook for the Future*** series was held in London, Birmingham, Toronto and New York. At these events, members of the Jamaican Diaspora in those communities were briefed by Jamaican Commissioner of Police, Major General Antony Anderson, about the status of crime in Jamaica, which is one of the prime concerns among Jamaicans, locally and in the Diaspora.

From a financial perspective, the Group has sought to find innovative ways to address the continuing challenge of limited access to correspondent banking services. Many international banks, in their attempt to de-risk their portfolios, have withdrawn correspondent banking services from some regions; and the Caribbean Region is one of the hardest hit. Consequently, approximately 15 Caribbean countries have lost at least 25 per cent of their correspondent banking relationships.

At Jamaica National, we have struggled to maintain correspondent banking relationships for **JN Bank**, including its Representative Offices overseas, and for our remittance company, **JN Money Services Limited** (JNMS). The correspondent banking crisis has significantly increased our cost of operation. For example, JNMS experienced a 42 per cent increase in banking costs in the UK

Chief Executive Officer's Report cont'd

over four years; while in The Cayman Islands, the cost rose by more than 1,000 per cent over the past five years. Therefore, the company spent an alarming £2.3 Million Pounds Sterling and CI $2.8 Million, since they lost correspondent banking services in both markets, while applying very limited increases in their transaction fees. These increased costs could not be passed on to customers, as it would make the remittance entity uncompetitive.

Given JN's promise to serve our members *"wherever they are in the world,"* we had to find innovative ways to manage the challenges this crisis presented. Therefore, as a result of the issues arising from the correspondent banking crisis, and as a part of our expansion thrust, Jamaica National has been pursuing the establishment of a commercial bank in the UK. The objective of the bank, **JN Bank UK**, is to provide banking services to the Caribbean Diaspora and the wider customer affinity base of Caribbean people in the UK, as well as, in time, offer deposit and savings and loan products to the wider UK market.

The Group continues to chart new paths, as this will be the first time that a Caribbean bank will be established in the UK. The project has been progressing well, with an anticipated startup date during the first quarter of 2020. The regulators in the UK have been working with the JN management team; and, thus far, the regulatory business plans have been accepted by both the UK and Jamaican regulators. The bank's management team is in place; IT systems are being developed; and administrative, accounting and marketing programmes are well advanced.

We continue to monitor developments in the UK keenly given the uncertainty of BREXIT and its implications for matters such as correspondent banking.

Financial Performance

These qualitative metrics, when positioned against the quantitative metrics, tell a positive story about the JN Group. On the quantitative side, the consolidated total assets of the Group increased from $208.2 Billion to $213.7 Billion. For the company, **The Jamaica National Group Limited**, there was a marginal decline in total assets from $6.7 Billion to $6.6 Billion, due to the programmed reduction in inter-company loans, which moved from $600 Million to $137 Million.

The customer deposit base grew by approximately $11.4 Billion, or a 9.7 per cent increase, which speaks to the confidence of the Jamaican community in the products of the JN Bank. This supports the views expressed in customer satisfaction surveys which indicate that 86 per cent of our customers are satisfied with the organisation. The loan portfolio increased by 11 percent to $97.5 Billion, up from $87.5 Billion. This represents increased retail lending to individual consumers in the areas of auto loans, mortgages and personal loans, which are designed to meet the needs of our Jamaican target markets.

The JN Group was also supported in lending from specialised financial institutions such as the National Housing Trust (NHT), which moved from $17.5 Billion to $18.7 Billion during the reporting period, while total equity moved marginally from $33.7 Billion to $34.2 Billion. The Group's interest revenue remained constant at $12.8 Billion, while interest expense declined marginally to $2.6 Billion, resulting in net interest revenue of $10.2 Billion in this financial year compared to $10 Billion the previous year. The slight increase in the net interest revenue was a consequence of improvements in the country's macroeconomic performance resulting in a reduction in deposit interest rates from 3.7 per cent to 3.2 per cent by the end of the year.

Interest rates on loans declined thereby providing opportunities for more persons to borrow funds to finance business ventures, which resulted in a net interest margin movement by one per cent for the Group. Currency movements also negatively impacted our performance, resulting in losses because of the devaluation and revaluation of the Jamaican Dollar of close to 10 per cent during the year.

The Group suffered impairment loss of $357.4 Million on loans of $299.5 Million, investments of $21.4 Million and other financial assets of $36.4 Million. The impairment loss was attributed to factors such as: delinquent borrowers, loan restructuring, adverse changes in the payment status of borrowers, bankruptcy by debtors, and a measurable decrease in expected cash flows from financial assets. On the investment side, it included significant or prolonged decline in the fair value of an asset below its cost.

Our operating expenses increased by $1 Billion to $17 Billion, with the main factors being the addition of new staff members to support the expanded areas of operations, which also resulted in increased employee costs. Other main drivers of the expense increase were advertising and promotion costs; as well as, audit, legal and professional fees.

Organisational Highlights

The deposit taking and investment entities in the Group, with a customer base of approximately 560,000 persons, returned a creditable performance during the year. **JN Bank** has maintained its position as the third largest financial institution, in Jamaica,

Chief Executive Officer's Report cont'd

in terms of market share for loans and deposits. In a bid to enhance its customers' experience, the bank has implemented programmes to improve the mortgage process and boost its digital capabilities. The bank has also, once again, retained its ISO:9001 international standards certification, in customer service and operational excellence.

JN Cayman is a principal source of financial support for the large Jamaican Diaspora community in The Cayman Islands. Through the provision of mortgages and savings, the company returned a modest profit of CI$134,000. The growth in deposits was restricted as we adhered to the Building Societies Law, Section 19, which requires that there is a commensurate ratio between loans and deposits; thereby depressing the deposit portfolio.

Having demonstrated last year our ability to raise private equity, **JN Fund Managers Limited** ramped up its performance in corporate advisory services, stockbroking and mutual funds operations. This resulted in the successful raising of approximately $6.6 Billion for the debt restructuring of Wigton Windfarm Limited; and management of the Jamaican component of Initial Public Offering (IPO) for MPC Caribbean Clean Energy Limited, which raised US$11 Million.

The JN Group's insurance subsector performed well during the year, with both companies booking gross premiums valued at $568.4 Billion for some 94,000 policyholders. **JN General Insurance Company Limited** improved its operational capabilities by turning around its underwriting loss of $67 Million last year, to a profit of $52 Million. This improvement was supported by no major environmental events; and a quieter than average hurricane season, with none impacting the island directly.

JN Life Insurance Company Limited continued its steady path of growth, making a name for itself in efficiency and speed, evidenced by $176 Million in settlements within 48 hours of receipt of all documentation, which arose from 47 claims. It also launched the **JN Life Aide** and **JN Life Family Aide** critical illness products, which covers 13 critical illnesses and continues to provide coverage after a diagnosis; as well as, its family indemnity plan, **JN Life Comfort**, to meet the growing needs of Jamaicans, who wish to make provisions for the financial demands associated with health care.

Our remittance company, **JN Money Services Limited**, remains a principal connector of members in the Jamaican Diaspora with family and friends at home. During the year, the entity experienced a 9 per cent growth rate, accounting for 1.35 million remittances valued at US$374.8 Million or J$46.8 Billion moving across both groups. The company is cognisant of the evolving remittance market; and has launched an e-commerce website, to bolster its suite of digital products and increase its service offerings to customers.

The provision of small and micro enterprise financing is a driving force for the Group as we strive to put "*People First*." **JN Small Business Loans Limited** continued its mission to positively impact lives by disbursing 28,000 new loans valued at $6.1 Billion. The company also enhanced its ongoing efforts to assist clients during times of extreme challenges, by offering lower rate credit products, which proved valuable in helping many to re-establish their businesses in the shortest possible time.

The non-regulated companies, which fall under the umbrella of the **MCS Group**, continue to offer significant support for companies in the JN Group, through the provision of a mix of services, ranging from communication technology to debt re-organisation. The technology company, **MC Systems Limited**, is a leader in technology solutions, including software applications; payroll solutions; value added services and business data analytics. Through its software development line and programming, it is a key provider of services to companies in the JN Group; and the chief procurement entity for the acquisition of equipment and technology solutions.

The debt management company, **Total Credit Services Limited**, remains an important service provider in the reorganisation of loans that have gone into default. Through the efforts of the company, and in keeping with our commitment to find viable solutions for our customers and members, it was able to assist persons to retain their properties by remediating 1,688 loans valued at $3.8 Billion. The company also recovered approximately $657 Million in debt for lenders.

As knowledge of the **Jamaica Automobile (Services) Association** (JAA) increases, there is a corresponding movement in the level of access to its services. During the year, the JAA, which also has operations in Trinidad and Tobago, almost doubled its output, processing more than 1.1 million ADVANCE card transactions, which is a single purpose, stored value card for the purchase of petrol. It also facilitated the purchase of 52.4 million litres of petrol for 16,573 vehicles, registered on the programme in both countries.

The company's driving academy is also a revenue stream, with approximately 2,600 lessons being conducted annually, by the facility. The JAA demonstrates the synergies across the Group in respect of its accident response; and claims management services, which are facilitated on behalf of JN General Insurance (JNGI). During the past year, the company handled 2,890 responses and 3,567 claims registration.

Chief Executive Officer's Report cont'd

Membership

JN Group has a strong focus on membership and service, as we place our members at the *"centre"* of our actions. We are committed to getting close to members, to determine their needs; and to satisfy those needs, to the best of our ability. Key to this is our **Member Ombudsman** who champions the rights of members, and provides an avenue for recourse for complaints, while ensuring that the operations of business in the JN Group maintains focus on "adding value for members." We are also in the process of developing a network of service clubs for members, "**JN Circle**," which is aimed at encouraging them to work together, to identify issues and find solutions that will improve their lives and the lives of others, in their communities.

As part of the process for alignment and change to improve the efficiency, work is in progress for the development of: an internal network and cloud-based delivery of Information and Communication Technology services; and the planned introduction of a Customer Relationship Management CRM tool, with appropriate protection for members and customers, globally.

The Group is also aware of the increasing public concern about the use of and access to personal private data, and the enactment of the European Union's General Data Protection Regulation (GDPR), which came into effect in 2018. The GDPR aims primarily to give control to individual persons over the protection and privacy of their personal data. And, as more and more businesses are adopting creative strategies to protect customers, we have also undertaken steps to align our operations to those global standards. Our intent is to be compliant with the highest standards for data protection in the countries where we do business.

A GDPR Manager has been engaged for our operations in the UK; and a Data Protection Officer appointed in Jamaica. In addition, a plan is being prepared to examine the implementation and effects of data protection laws in the countries, in which we operate; and where our members are located.

Employees

As with any conglomerate, the success of Jamaica National rests heavily on our team of 2,000 employees, to whom we owe much for their commitment to the companies in the JN Group.

To empower them, approximately 9,320 hours were spent providing $87.5 Million in training to 984 employees in areas of: leadership, sales, service, compliance and other disciplines. We also recognise that there are some areas which require work, as our staff satisfaction rating declined, resulting from the increased number of employees who were engaged to fill the new areas created to serve customers. During the next financial year, efforts will be made to properly immerse new team members into the JN culture, values and approaches, to ensure full alignment in every area of the Group.

The Future

For the future, the JN Group will continue to align its activities to its **Vision** and **Mission**; and make significant investments in technology, as the financial sector will be heavily driven by advancing technologies. In our 2019/2020 budget, we have committed to investing approximately $56 Million in technology to transform our banking operations. We will also deliver new, friendly insurance products; introduce Salesforce.com, a customer relationship management system; reorganise the operations of **The Voice** newspaper and **The Creative Unit**; and finalise the establishment of the **JN Bank UK.**

These activities will require a change in our way of thinking; and provide greater openness to what is new. Essentially, we will critically examine our processes; and make them more customer and member-oriented; as, we will *identify disruptive solutions for the challenges we encounter*. Success can be assured, if the JN Group entities work together with our members and customers; and align ourselves to our Group's Mission and Vision, which will indicate, without a doubt, that we are living up to our commitment of putting ***"People First."***

Hon. Earl Jarrett, OJ, CD, JP, CStJ, Hon. LLD, Hon. EdD, FCA

Membership of Boards and Committees

JAMAICA AUTOMOBILE ASSOCIATION (SERVICES) LIMITED
Hon. Earl Jarrett, OJ, Chairman
Phillip Bernard
Christopher Hind
Onika Miller
Phillip Powe
Wendell Smith
Errol Ziadie

JN BANK LIMITED
Kathleen Moss, Chairman
Hon. Oliver F Clarke, OJ
Hon. Earl Jarrett, OJ, CD
Elizabeth Ann Jones, CD
Dr Dhiru Tanna
Raphael Gordon
Jennifer Martin
Peter Morris
Curtis Martin

JN CAYMAN
Gladstone Lewars, Chairman
Hon. Earl Jarrett, OJ, CD
Derek Jones
Marcus Simmonds
Sharon Braithwaite

JN FINANCIAL GROUP LIMITED
Elizabeth Ann Jones, CD, Chairman
Hon. Oliver Clarke, OJ
Hon. Dorothy Pine-McLarty, OJ
Hon. Earl Jarrett, OJ, CD
Raphael Gordon, CD
Parris Lyew-Ayee, CD
Dr Dhiru Tanna
William Mahfood
Jennifer Martin
Peter Morris
Kathleen Moss
John Small

JN FOUNDATION
Parris Lyew-Ayee, CD, Chairman
Hon. Earl Jarrett, OJ, CD
Jennifer Martin
Mary Smith

JN FUND MANAGERS LIMITED
Elizabeth Ann Jones, CD, Chairman
Hon. Earl Jarrett, OJ, CD
Dr Dhiru Tanna
Caryl Fenton
Monica Ladd
Allan Lewis
Peter Morris
Keith Senior
Errol Ziadie

JN GENERAL INSURANCE COMPANY LIMITED
Peter Morris, Chairman
Hon. Oliver F Clarke, OJ
Hon. Earl Jarrett, OJ, CD
Christopher Hind
Sethuraman Kumaraswamy
Sherry Ann McGregor
Wendell Smith
Shirley Tyndall
Errol Ziadie
Kathleen Moss

JN LIFE INSURANCE COMPANY LIMITED
Peter Morris, Chairman
Hon. Earl Jarrett, OJ, CD
Christopher Barnes
Kay Osborne
Errol Ziadie

JN MONEY SERVICES LIMITED
William Mahfood, Chairman
Hon. Oliver F Clarke, OJ
Hon. Dorothy Pine-McLarty, OJ
Hon Earl Jarrett, OJ, CD
Michelle Clarke
David Jessop
Angella Rainford
Gladstone Lewars

THE JAMAICA NATIONAL GROUP LIMITED
Hon. Oliver F Clarke, OJ, Chairman
Dr Dhiru Tanna, Co-Deputy Chairman
Elizabeth Ann Jones, CD, Co-Deputy Chairman
Hon. Dorothy Pine-McLarty, OJ
Hon. Earl Jarrett, OJ, CD
Parris Lyew-Ayee, CD
Raphael Gordon
Jennifer Martin
Peter Morris
John Small
Kathleen Moss
William Mahfood
Jerusha Bent (Staff Director)

JN PROPERTIES LIMITED
Onika Miller, Chairman
Hon. Earl Jarrett, OJ, CD
Joy Brady

JN SMALL BUSINESS LOANS LIMITED
Parris Lyew-Ayee, CD, Chairman
Hon. Oliver F Clarke, OJ
Hon. Earl Jarrett, OJ, CD
Randolph Cheeks
Cosma Earle
Pansy Johnson
Mary Smith

MANAGEMENT CONTROL SYSTEMS LIMITED
Onika Miller, Chairman
Hon. Molly Rhone, OJ
Hon. Earl Jarrett, OJ, CD
Shereen Jones
Dianne Smith-Sears
Wendell Smith

MCS GROUP LIMITED
Raphael Gordon CD, Chairman
Hon. Molly Rhone, OJ
Hon. Earl Jarrett, OJ, CD
Dr Dhiru Tanna
Onika Miller
Wendell Smith
Rachel McLarty
Dan Theoc
Errol Ziaidie
Philip Bernard

THE CREATIVE UNIT LIMITED
Onika Miller, Chairman
Hon. Earl Jarrett, OJ, CD
Joy Brady

TOTAL CREDIT SERVICES LIMITED
Onika Miller, Chairman
Hon. Earl Jarrett, OJ, CD
Carlton Earl Samuels, CD
Leon Mitchell
Joy Brady

JN REAL ESTATE LIMITED (Dissolved)

JAMAICA POPULAR INVESTMENT LIMITED (Dissolved)

MANAGEMENT CREDIT AND INFORMATION SERVICES LIMITED (Dissolved)

JN FINANCE LIMITED (Dissolved)

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Website: www.jnmoneyonline.com

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JN MONEY SERVICES (CAYMAN) LIMITED
71 Eastern Avenue, P.O. Box 504
Grand Cayman
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Fax: 345-945-2015
Website: www.jnmoneyonline.com

Executives

Assistant General Managers

Carlton Earl Samuels, CD, JP, FCA, FCCA, MBA

Chief Development Financing OFficer

Carlton Earl Samuels has had a distinguished career in the field of Financial and General Management. As Financial Manager and Consultant, he has worked in several private and statutory organisations. In 2017, he was appointed Chief Development Financing Officer for The Jamaica National Group Limited. Prior to this appointment, he held the position of Assistant General Manager, Group Finance and Mortgage Operations.

In recognition of his outstanding leadership as Managing Director of the National Housing Trust and his contribution to the housing sector in Jamaica, he was awarded the National Honour, Order of Distinction (Commander Class) in 2006.

He has served on several civic boards and societies thereby contributing to community and national development. Currently, he serves as Trustee for the Cornwall College Trust. In 1997, he was the recipient University of Technology (UTECH) Outstanding Alumnus Award and, in 2006 he received the Distinguished Rotarian Award from the Rotary Club of St. Andrew. In recognition of his contribution to the development of Cornwall College he was awarded the Man of Might Award in 2012 from the Cornwall College Old Boys Association (CCOB). In 2016 he received an award from the Kingston Chapter of CCOB for his contribution to national development. Mr. Samuels is a Justice of the Peace for the city of Kingston, is married and has three children.

Qualifications

- Diploma in Accounting, College of Arts, Science and Technology (now University of Technology),
- Masters in Business Administration, The Chapman Graduate School, Florida International University
- Certificate in Housing Finance, Wharton Real Estate Business School, University of Pennsylvania
- Chartered Accountant by profession
- Fellow, Association of Chartered Certified Accountants (UK)
- Fellow, Institute of Chartered Accountants of Jamaica

Shereen Jones, MSc, BSc

Chief Information Officer

Shereen Jones is tasked with overall responsibility for Information Technology across The Jamaica National Group Limited. She has over 25 years of experience in IT, spanning multiple industries with significant focus on financial services, and has managed engagements in several countries, both regionally and across three continents.

She joined the JN Group in 2006 as General Manager of Management Control Systems (MCS) and assumed the position of Group Executive – Information Technology, in October 2009. However, her association with the Jamaica National Building Society began in 1999 when she assisted with the implementation of the Phoenix Banking system as a consultant.

Mrs Jones was appointed Assistant General Manager of the JN Group in February 2013. Her title was changed to Chief Information Officer for The Jamaica National Group Limited when JNBS was restructured and JN Bank launched on February 1, 2017.

In October 2013, the Jamaica Computer Society presented her with a lifetime achievement award for outstanding contribution to the ICT Industry.

Qualifications

- MSc, Computer Science, Honours, Pennsylvania State University
- BSc, Computer Science, First Class Honours, The University of the West Indies

Directorships/Affiliations

- Chairman, JETS International
- Member, Toastmasters International
- Member, Jamaica Computer Society
- Member, St. Hugh's High School Board of Management

Executives

Assistant General Managers

Leon Mitchell, FCIM, MBA

Office of the Chief Executive Officer

Leon Mitchell currently supports the Office of the Chief Executive Officer (CEO) in identifying and initiating projects and strategic alliances to advance The Jamaica National Group Limited locally and internationally.

Since joining the Jamaica National Building Society (JNBS) in 1999, he has worked in a range of positions, including Overseas Business Development Executive; CEO JNO (UK, USA and Canada) Limited; and JN Group Executive, Marketing, Sales & Promotions. He was appointed Assistant General Manager in 2011.

Prior to joining JN Group, Mr Mitchell was Managing Director of CVM TV, Marketing Director of Wisynco Limited, Advertising Manager at Gleaner Company Limited (Jamaica), Managing Director at Weekly Gleaner (UK) and Trainee at Sainsbury Limited (UK).

Qualifications

- Fellow, Chartered Institute of Marketing
- Master of Business (MBA), Florida International University, Beta Gamma Sigma
- Bachelor, Business Administration, University of Technology
- Diploma, Marketing, the Chartered Institute of Marketing

Directorships/Affiliations/Memberships:

- President: Boys Town Football Club (2017)
- Deputy Chairman: Special Olympics Association of Jamaica (2017)
- Vice President: Marketing Association of Jamaica
- Member: Kiwanis Club of Kingston
- Member: Kingston Cricket Club
- Member: Jamaica Red Cross, Fund Raising Committee

An avid sports supporter, Leon Mitchell has previously served as Coach for football teams, including Rockfort Football Club; as President for the Jamaica Hockey Federation and the Kingston Commissioners Masters League Football Team; as well as Technical Director for the Tarrant High School Manning Cup Programme and the Shortwood Major League Football Club. He is also past Chairman of the Infrastructure Committee – Kingston & St Andrew Football Association (KSAFA).

Brando Hayden, MBA, BBA

JN Private Capital

Brando Hayden joined The Jamaica National Group Limited in the capacity of Assistant General Manager, JN Private Capital, effective March 2019. In this role, he reports to Earl Jarrett, JN Group CEO with responsibility to develop and implement a strategy across all companies in the JN Group in relation to investments management and financial technology (Fintech).

Mr Hayden brings over two decades of diverse global experience to the Group, having specialized in asset management, trading and the management and growth of financial institutions. His career in financial services covers emerging market fixed income and FX trading at Bankers Trust, FX at Morgan Stanley, energy derivatives at Enron Global Markets and equity derivatives at UBS Warburg.

His experience includes senior positions with financial services firms in Jamaica. He served as Head of Trading at NCB Capital Markets, Head of Trading at JMMB, Head of Treasury at the Jamaica National Building Society and General Manager at JN Fund Managers Limited.

Qualifications

- MBA, Finance and International Business, New York University's Leonard N Stern School of Busiensss
- BBA, Finance, The City University of New York

Executives

Assistant General Managers

Joy Brady, ACCA

Group Finance

Joy Brady is a chartered accountant by training with more than 20 years of financial management experience in the commercial industry and more than 15 years of experience in auditing.

She joined the Jamaica National Building Society in 2004 as Group Finance Manager and was promoted to Executive in August 2011. With the restructuring of the Society on February 1, 2017, her responsibilities include monitoring the financial accounting and reporting for The Jamaica National Group and its subsidiaries.

Qualifications

- Association of Chartered Certified Accountants (ACCA) Level III (1992)
- Association of Accounting Technician (AAT), Level III (1984)
- Fellow, Institute of Chartered Accountants of Jamaica (ICAJ)
- Fellow, ACCA

Keith Senior

Office of the Chief Executive Officer

Keith Senior was appointed Assistant General Manager of The Jamaica National Group Limited in September 2019; and, through the Office of the Chief Executive Officer, will provide support to the companies within the JN Group.

Mr Senior joined JN Fund Managers Limited in 2000 as its first General Manager when the investment company was first launched. In 2013, he was appointed consultant to the Jamaica National Building Society, working on corporate credit projects and continued in that role when The Jamaica National Group and JN Bank was launched in February 2017. He was appointed Deputy Managing Director of JN Bank in June 2019.

His career spans four decades in Finance, Credit, Investments and Administration. Keith Senior previously worked with the Bank of Nova Scotia (BNS) for over 20 years in Jamaica, the United States of America and Canada. In 1975, Mr. Senior was appointed Financial Controller of BNS Jamaica, becoming the first Jamaican and the youngest person to have held that position. He also worked with the Eagle Commercial Bank as Deputy General Manager and General Manager.

Mr. Senior has served on the Boards of the Jamaica Bauxite Institute and the Jamaica Civil Aviation Authority. He is a director of JN Fund Managers Limited.

Executives

Assistant General Managers

Dana Morris Dixon, PhD, MSc, BSc

Chief Marketing and Business Development Officer

Dr Dana Morris Dixon was appointed Assistant General Manager/Chief Marketing and Business Development Officer for The Jamaica National Group Limited in May 2018. As head of two of the major units within the Group, Dr. Morris Dixon is charged with developing and guiding the overall marketing and advertising strategy of the Group as well as its individual subsidiaries, in addition to identifying and exploring new business opportunities. She is also responsible for the development and promotion of the Group's thought leadership agenda with a view to enriching the lives of its members and propelling innovation. She also serves as the chief research officer, developing and driving the use of research for the expansion of new opportunities as well as the development of existing lines of business.

Dr Morris Dixon joined The Jamaica National Group Limited (then Jamaica National Building Society) as Executive, Business Development and Research (now Business Advisory Services), in June 2013. Starting in 2014, she led the Business Transformation Project to ensure the seamless and successful reorganisation of The Jamaica National Group Limited, as well as the conversion of the Society to a commercial bank. Subsequent to the reorganisation of the Group, Business Development and Research was renamed Business Advisory Services.

Dr Morris Dixon previously worked at the Jamaica Promotions Corporation (JAMPRO), in various capacities including as Acting President in March 2013. She joined JAMPRO as Manager, Caribbean, Latin America & Emerging Markets Department, on secondment from the Office of the Prime Minister in October 2009 and was appointed Vice President, Planning & Corporate Development in April 2010. Among the policies developed under her watch were the Diaspora Business Strategy and Linkages Strategy. She played an integral role in managing the National Competitiveness Council, and was a significant part of the project management team for signature events such as the Jamaica Investment Forum (2012) and Jamaica House at the London 2012 Olympics.

Prior to joining JAMPRO, Dr. Morris Dixon was the Director of Development Policy, Planning and Strategy at the Office of the Prime Minister. She is also a former lecturer at The University of the West Indies, Mona where she taught both undergraduate and graduate courses.

She has served as a board member: International Women's Forum (Jamaica), National Land Agency, Runaway Bay Development Company Limited, Grand Jamaica Homecoming Advisory Council and the Jamaica Fulbright-Humphrey Alumni Association.

Most recently, Dr Morris Dixon was appointed Chairperson of the Jamaica's National Family Planning Board/Sexual and Reproductive Health Agency as well as Deputy Chairperson of the National Health Fund.

Qualifications

- PhD, International Studies, University of Denver, Graduate School of International studies
- MSc, Government, specializing in International Relations, The University of the West Indies (UWI)
- BSc, Economics and International relations (First Class Honours), UWI

Awards

- Fulbright Scholar
- Recipient, George Beckford Award for Economic Development, 2003
- Awardee, UWI Department of Government Fellowship, 2001
- Inducted into the Faculty of Social Sciences, Dean's Honour Society, 2002

Executives

Claudine Allen, MSc, BA
Member Ombudsman
Member Relations and Quality Assurance

Claudine Allen was appointed Executive for the Enterprise Contact Centre and Member Ombudsman of the Jamaica National Building Society (JNBS) in January 2015. With the restructuring of the Society in February 2017, she was appointed Executive – Member Relations and Quality Assurance for The Jamaica National Group Limited. In this capacity, she leverages global best practices and standards to ensure memorable customer service delivery at customer touch points across the JN footprint.

She also serves as the Management Representative for JN Bank's ISO 9001:2015 certified Quality Management Systems, ensuring adherence to standards throughout its operations. As Member Ombudsman, the champion of the interest of members, Miss Allen and her team works to resolve customer issues, facilitates measurement and analysis of customer experience and leverages member feedback to inform the direction of the Group.

Miss Allen joined JNBS as Communications Specialist in the Corporate Communications department in 2006 and has also served as Special Assistant to the General Manager – a position she held for six years.

She brings to the Group expertise in corporate affairs and public relations, customer service, business administration, and advertising.

Qualifications
- Master of Science, Public Relations, Syracuse University
- BA, Media and Communication, The University of the West Indies (UWI)
- Diploma, Business Administration, UWI

Directorships/Affiliations
- Director, Jamaica Customer Service Association
- Director, United Way of Jamaica

Simone Hylton-Chambers, MBA, BSc (Hons)
Strategy Management

Simone Hylton-Chambers joined the JN family in 2001 as Business Analyst in the then Corporate Planning and Special Projects department. In 2011, she was promoted to Senior Manager, and in 2016, was appointed Executive, Corporate & Strategic Planning, JN Group. With the restructuring of the Society and the launch of The Jamaica National Group Limited and JN Bank in February 2017, Mrs Chambers was appointed Executive, Strategy Management for The Jamaica National Group Limited.

With over 17 years of experience in Corporate and Strategic Planning and almost two decades in the financial services industry, Mrs. Hylton-Chambers has a wealth of experience in Strategic Planning & Execution, Finance, Research & Analysis, as well as Credit Management. She is responsible for managing the strategic planning and management process for The Jamaica National Group Limited and its subsidiaries, and over the years has been integral in the development and attainment of significant organisational goals.

Qualifications
- MBA, Banking & Finance, The University of the West Indies (UWI)
- BSc (Hons), Management Studies & Economics, UWI
- Certificate, Strategic Intuition, Columbia Business School

Affiliations
Member, Jamaica Chamber of Commerce Conference Board

Executives

Tonya Grant, FCCA, FCA, CPA, CIA
Audit - JN Group

Mrs Tonya Grant was appointed Chief Internal Auditor for The Jamaica National Group Limited in 2017. She has more than 25 years of experience in auditing. She is a Certified Internal Auditor (CIA), a US Certified Public Accountant (CPA) and a Fellow of the Association of Chartered Certified Accountants (FCCA). She has also participated in diverse internal audit, data analytics, Anti-Money Laundering and leadership conferences and seminars.

Her professional affiliations include the Institute of Chartered Accountants of Jamaica (ICAJ), the American Institute of Certified Public Accountants (AICPA), the Institute of Internal Auditors (IIA) and Information Systems Audit and Control Association (ISACA). She is also a member of the Association of Certified Anti-money Laundering Specialists (ACAMS).

Mrs Grant is a member of the Shortwood Teachers' College Board of Management and also serves as the Chairman of the college's Audit Committee.

Hilret Hanson
Industrial Relations Specialist

Hilret Hanson was appointed Executive, Group Industrial Relations Specialist for The Jamaica National Group Limited in June 2017. His responsibilities include guiding the Group's industrial relations strategy, promoting industrial relations harmony and compliance with labour legislation.

He has worked with the Jamaica National Building Society (JNBS) for close to four decades, serving in various capacities during his tenure, including Branch Manager, Finance Manager and Senior Regional Manager. He also worked as Executive, with responsibility for Branch Retail Operations, and Executive in charge of Business Relationship and Sales. He has also served as president of the JNBS managers' association and as staff director.

Qualifications

- Certificate in Jamaican securities, Jamaica Institute of Management
- Financial Management courses, College of Art, Science and Technology, now University of Technology

Executives

Polmae 'Pam' Thompson, MSc, BA

Enterprise Project Management Office (EPMO)

Polmae "Pam" Thompson was appointed Executive - Enterprise Project Management Office (ePMO) of The Jamaica National Group Limited in August 2017.

She has worked as both an internal and External Consultant in several companies, both here in Jamaica and in the United Kingdom. She held the position of Assistant General Manager, I.T. Consulting Services at Management Control Systems (MC Systems) prior to being seconded to the Jamaica National Building Society (JNBS) in 2009, assuming the position of Senior Manager in the Enterprise Project Management Office.

While she leads the entity that offers project management services to the Group, particularly for strategic projects, she also has responsibility for the development of systems, policies and procedures that promote organisational efficiency at the Group.

Under her stewardship, JNBS was awarded Project Management Organisation of the year, both in 2012 and 2013, by the Doctor Bird chapter of the Project Management Institute. Mrs Thompson was also awarded Project Manager of the Year 2013 by the Project Management Global Institute-(PMGI). Additionally, in 2016, the ePMO was invited to be a contributor to an international project Management primer, A Compendium of PMO Case Studies.

Qualifications

- MSc, Business Systems Analysis and Design, City University, London, England
- B.A., Economics and International Relations, The University of the West Indies

G. Andre Latty, MSc, BSc

People and Culture
Group Human Resources Development

With almost three decades of experience in Human Resource and Customer Service Management for both local and multinational companies, G Andre Latty joined the JN Group in July 2013 as Senior Manager, Human Resource Development, at JN General Insurance Company. He was promoted to Executive, Group Human Resources Development for The Jamaica National Group Limited in May 2016 and with the reorganisation of the Group in 2017, he was appointed Executive, of the Group People and Culture department. In this role, he is charged with aligning the human resource function to the business strategy, through effective talent acquisition and management, performance management, communications, labour and industrial relations management and human capital analytics.

Mr Latty previously worked in a number of senior human resources capacities with diverse companies, including Advantage General Insurance Company Limited, National Commercial Bank, Kraft Foods Jamaica Limited, Cable & Wireless Jamaica Employees Co-operative Credit Unit Limited and T Geddes Grant Caribbean Limited.

As Vice President, Human Resource & Training at Advantage General, he repositioned the Human Resource department to strategic partner status, resulting in the company receiving the Jamaica Employer's Federation Employer of Choice Award in 2008; achieving the Honourable Mention Awards in 2008 for Best HR Innovation from the Human Resource Management Association of Jamaica (HRMAJ); and First Place Award – Best HIV/AIDS Workplace Practices from the Ministry of Health.

Qualifications

- MSC, Human Resource Development, The University of the West Indies (UWI)
- B.Sc., Public Administration (Honors), UWI
- SPHR designation, Society of Human Resources Management (SHRM)

Directorships/Affiliations

He has served on numerous bodies, including the Jamaica Advisory Board for the Florida International University, The Education Committee of the College of Insurance and Professional Studies, The Convention Planning Committee of Jamaica Employers Federation and the Board of the Jamaica Institute of Financial Services, formerly the Jamaica Institute of Bankers.

Executives

Aditi Dhiman, CA, BA

JN Group Loyalty Programmes

Mrs Aditi Dhiman was appointed Executive – JN Group Loyalty Programmes in July 2017, with responsibility for the Group's member/customer loyalty programme, which seeks to recognize our loyal members and customers and enhance their experience. In this position, Mrs Dhiman is responsible for developing initiatives to continuously improve JN Rewards and JN Premier programmes and implement loyalty programmes throughout JN Group companies.

She joined the JN Group as a Business Strategist at JN Fund Managers Limited in 2008 and was responsible for the development and launch of JNFM Online, as well as overseeing the pension administration unit at JNFM.

In 2012, Mrs Dhiman was appointed General Manager of JN Finance Ltd. With the launch of JN Bank in February 2017, Mrs Dhiman assumed the role of Chief – Premier Banking, responsible for developing strategies to provide Premier Banking Services to JN Group's High Net Value clients.

Prior to joining the JN Group, Mrs Dhiman was an Associate Director at UBS AG in London, UK, trained as an Auditor at KPMG in New Delhi, India and worked as an Auditor at KPMG, Switzerland. She worked as a Research Associate at INSEAD, Fontainebleau, France and carried out Treasury Management functions at World Wide Fund for Nature International in Switzerland and CMC Markets, London, UK. Mrs. Dhiman has professional training in investment products, interest rate products and bonds; KPMG International Accounting Standards; Forensic Accounting; and financial and assurance services.

Qualifications

- C.A. (Institute of Chartered Accountants, India)
- B.A. (Hons) Economics, Delhi University, India

Dianne Smith Sears

Payment Systems

Mrs Dianne Smith-Sears joined the Jamaica National Building Society in 2005 and has undertaken a number of roles over the years. She is currently Executive, with responsibility to develop and implement a payment network to support the Group's entry into the payment acquisition business.

Mrs Smith Sears was previously General Manager of Management Control Systems Limited and its subsidiary, Manufacturers Credit & Information Services Limited, with responsibility for overseeing the sales and operations for both companies.

Mrs Smith-Sears is a career Information Technology specialist who has over 25 years working in the finance sector in leadership positions, governing all aspects of information technology. She has also led the sales and operations of the largest card services operations in Jamaica. She is a past Vice President of the Jamaica Computer Society and had served on a variety of Boards in the past.

Executives

Paulette Simpson, CIM, MBA, BA

Corporate Affairs & Public Policy

Miss Paulette Simpson has responsibility for Corporate Affairs for The Jamaica National Group Limited in the United Kingdom (UK). In this role, she seeks to initiate, manage and deliver strategies to enhance the organisation's corporate reputation, brand, relationship with members and the wider community in the UK. She was recognised as one of Britain's most influential people of African and African-Caribbean heritage in the annual 2018 UK Powerlist published by Powerful Media.

She also provides strategic management support for The Voice, which has been Britain's leading Black newspaper for the last 35 years, seeking to reposition the newspaper to achieve greater efficiencies and deeper market penetration.

Ms Simpson has held several other positions within the JN Group, including:

- Chief Representative Officer, the UK Representative Office of the Jamaica National Building Society
- General Manager of the remittance company, JN Overseas (UK) Limited, now renamed JN Money Services (UK) Limited.

She has previously worked with the UK operations of National Commercial Bank, Jamaica and began her career with Price Waterhouse Coopers, where she specialized in business development, training and marketing for six years. During that period, she was seconded to the Commonwealth Secretariat to develop and deliver a training programme for young women in business in Zambia.

Miss Simpson represented the UK community on the Jamaica Diaspora Advisory Board, and in that capacity advised the Minister of State in the Ministry of Foreign Affairs and Foreign Trade for four years about issues relating to the Jamaican Diaspora in the UK.

She continues to be very active in the community and assists various charities across the UK with their work to improve the lives of Jamaicans in the UK and Jamaica.

Qualifications

- MBA, University of Westminster
- BA (Hons) Business Studies (Finance and Marketing), University of Stirling, Scotland

Directorships/Affiliations

- Director, JN Money Services (UK) Ltd
- Director, GV Media, publishers of The Voice newspaper
- Member, Chartered Institute of Marketing

Gladstone Whitelocke, JP, MBA

Development Financing Specialist

Gladstone Whitelocke was appointed Development Financing Specialist at The Jamaica National Group Limited in February 2019 with responsibility to develop and implement strategies to grow the corporate and development loan portfolio of JN Bank and to evaluate loan applications to ensure compliance with credit risk tolerance levels.

With over 30 years in the banking and finance sector, Mr Whitelocke brings a wealth of experience to his portfolio. His expertise lies in relationship management, financial analysis, credit risk management, cost management, revenue growth and regulatory compliance.

Prior to his appointment, Mr Whitelocke was Senior Vice President Non-Branch Sales at Scotia Jamaica Group from 2003 to 2018, and General Manager, Scotia Jamaica Building Society from 2003 to 2013.

Qualifications

- MBA, Banking & Finance, Manchester Business School
- Certificate, Sales Management, University of New Orleans
- Certificate, Project Management, University of New Orleans

Directorships

- Chairman, Real Estate Board of Jamaica and the Strata Corporation
- Past Chairman, Board of Trustees, Scotia Bridge

Executives

Paula Ferguson, FCA, MSc, BSc

Group Chief, Compliance and Risk

With more than 14 years of regulatory experience in depository institution supervision and regulation at the Bank of Jamaica and over 12 years of experience in tax compliance and public relations with Customs and Tax Administration, Ms. Ferguson brings a wealth of knowledge to her portfolio as Group Chief, Compliance and Risk. She joined the JN Group in November 2018, and reports directly to the Group Chief Executive Officer.

Prior to her appointment, she held the position of Chief Compliance Officer/Nominated Officer at JMMB Bank (formerly JMMB Merchant Bank) from 2016 to 2018, where she was responsible for the implementation and management of the compliance framework for the bank. She was also tasked with the oversight and management of the AML/CFT Programme, compliance with laws and regulations governing the banking activities both locally and internationally, and ensuring conformance with the company's policies and procedures.

In her regulatory role at the Bank of Jamaica, her responsibilities included supervisory oversight of Regulatory Compliance, Risk (Credit, Operational and Market), and Financial assessments conducted on standalone depository institutions, their subsidiaries and associated companies, and consolidated financial groups.

Qualifications

- Fellow, Institute of Chartered Accountants of Jamaica (FCA)
- MSc, Accounting (Distinction), The University of the West Indies, Mona (UWI)
- BSc, Accounting and Management (Hons), The University of the West Indies, Mona (UWI)
- Professional Certificate, Public Relations (UWI School of Continuing Studies)

Affiliations

- Member, Association of Certified Anti-Money Laundering Specialists (ACAMS)
- Member, Jamaica Banker's Association Compliance Committee
- Member of the Audit Committee - Registrar Generals Department
- Adjunct Finance and Accounting Lecturer-Mona School of Business and Management - UWI, Mona
- Justice of the Peace for the parish of St. Andrew

She also served as Board Treasurer of the Jones Town Citizens for Change and is a former Board Finance Committee member – St Theresa Preparatory School.

Marie Stewart Lewin

JP, MBA, MA, BA

Special Assistant to the CEO

Mrs Marie Stewart Lewin was promoted to Executive, Special Assistant to the Chief Executive Officer (CEO), The Jamaica National Group Limited in June 2019. She serves as the primary contact for matters pertaining to the CEO and acts as liaison to the JN Group's board of directors and senior management teams.

She also plans and executes initiatives and special projects, including: the biennial Jamaica Diaspora Conferences; annual JN Outlook for the Future forums in the United Kingdom, Canada, and the United States of America; as well as, the Governor-General's Programme for Excellence.

Mrs Stewart Lewin joined the Corporate Communications department of the former Jamaica National Building Society (JNBS) as a Communications Assistant in 2003. She was promoted to Assistant Communications Manager in 2006 and to Manager of the department in 2007.

In January 2011, she was appointed Research Manager for JNBS, with responsibility to develop the JN research agenda; and to plan and execute presentations related to JNBS member companies. Mrs. Stewart Lewin was subsequently promoted to Senior Manager, Research & Public Relations in December 2011. She assumed the post of Senior Manager, Special Assistant to the JNBS General Manager in 2014 and continued in this role, when JNBS was restructured to The Jamaica National Group Limited in 2017.

Mrs Stewart Lewin previously worked at the Jamaica Information Service (JIS) as a Television Producer/ Director and was a Senior Television Producer/ Presenter for nine years.

She has benefited from a diploma programme and numerous courses in journalism, communications, public relations, public speaking, protocol and business etiquette; as well as, training in radio and television programme production; voice and speech presentation.

Qualifications

- MBA, International Business (Laureate), University of Liverpool
- MA, Communication Studies, The University of the West Indies (UWI)
- BA, History, UWI

Affiliations

- Appointed Justice of the Peace for the Parish of St Andrew, 2012
- Observer, Advisory Board of Governor-General Programme for Excellence
- Chairperson, Faith Cathedral Deliverance Centre Thrift Club
- Member, Inter-American Business Communicators Association (2003-2006)
- Affiliate Member, Public Relations Society of Jamaica (2003-2006)

Executives

Tasha Manley, CAMS, LLB, BSc
General Legal Counsel

An accomplished Attorney-at-Law and Certified Anti-Money Laundering Specialist, Tasha Manley is General Legal Counsel for The Jamaica National Group Limited, assuming this position in September 2016. Ms Manley was previously employed as Chief Compliance Officer at the Jamaica National Building Society since July 2011, with oversight for the global Anti-Money Laundering programme and the broader regulatory compliance framework for the JN Group.

Former Crown Counsel in the Attorney General's Department, Ms Manley has represented the Government of Jamaica in all local courts and has appeared before the Judicial Committee of the Privy Council, UK, on two occasions.

She has worked as an International Fellow at the Commodities Futures Trading Commission, Washington DC.

Qualifications

- Legal Education Certificate, Norman Manley Law School
- Bachelor of Laws and BSc, Political Science (First Class Honours), The University of the West Indies
- Currently pursuing the internationally acclaimed Chartered Banker MBA

Directorships/Affiliations
- Member, UK Chartered Banker Institute (student member)
- Member, Association of Certified Anti-Money Laundering Specialists
- Member, UK Money Transmitter's Association
- Member, Jamaica Banker's Association Compliance Committee

She has also served as a Director on a number of public sector Boards, including the Development Bank of Jamaica, chairing the board's Audit Committee; the Chase Fund (later serving as Corporate Secretary); the Jamaica Civil Aviation Authority and the Water Resources Authority.

Tanya Pringle, MA
Corporate Communications

Mrs Tanya Pringle was appointed Executive for Group Corporate Communications in June 2019. She joined the Jamaica National Building Society (JNBS) in 2009 as Special Assistant to the General Manager and was appointed Manager of the Group Corporate Communications department in 2011. She was subsequently promoted to Senior Manager in 2014.

During the restructuring of JNBS in 2017, Mrs Pringle and her team led the communication initiatives for the successful transformation of the 140 year-old building society to The Jamaica National Group Limited and the launch of JN Bank.

Mrs Pringle previously worked in communications as General Manager, PROCOMM Limited and at The Private Sector Organisation of Jamaica (PSOJ) where she was recognized as Outstanding Employee of the Year (2005). She has also worked in general management and marketing in the hotel industry and was awarded an International Hotel Association scholarship to the Netherlands in 1993.

She played a dynamic role in founding the JN Toastmasters Club in 2011 and has served as Secretary, Vice President – Public Relations and as President of the club.

Qualifications

- MA, Communications, University of Leicester
- Certificate courses: Digital Marketing, Public Relations, Marketing

Affiliations

- Member, JN Toastmasters Club
- Member, Public Relations Committee, Governor-General Achievement Awards
- Volunteer, Dress for Success Jamaica

Executives

Hugh Reid, FCA, MSc, BSc

Group Finance

Hugh Reid is an experienced financial services executive and entrepreneur, with a track record of success in general management, customer service, sales management, investments, life insurance, mortgage finance, financial accounting and financial management in the financial services, construction and real estate industries.

He was appointed Executive in the Group Finance department in October 2019. He joined The Jamaica National Group Limited as a Consultant in November 2018 and successfully completed and participated in several projects in the areas of financial analysis, project financing, project appraisal, as well as policy and strategy development.

In 2016, Mr Reid established Customer Needs LLC, in Georgia, Atlanta, a startup company with a focus on real estate investing and financial education. Prior to that, he served in a number of senior management roles as President of Scotia Jamaica Life Insurance Company; Chief Operating Officer at the Victoria Mutual Building Society; Senior General Manager at the National Housing Trust; and has also worked in the life insurance and internal audit sectors.

Qualifications

- MSc, Accounting, The University of the West Indies (UWI)
- BSc, Economics, UWI
- Fellow, Chartered Association of Certified Accountants (UK)
- Fellow, Life Management Institute (US)
- International Housing Finance certificate, Wharton, University of Pennsylvania

Directorships/Affiliations

- Director, Kingston College Development Trust Fund
- Chairman, Board of Directors, Perishables Limited
- Vice Chair, Association of Chartered Certified Accountants (ACCA) Jamaica Chapter
- Past President, Insurance Association of Jamaica (2012-2014)
- Director – Kiwanis Foundation of Jamaica
- Fellow of the Jamaican Institute of Management 2006
- Kiwanis Club of North St. Andrew - Distinguished Club Secretary, Kiwanian of the Year, Past Distinguished President 2000-2001 and Kiwanis Hixson Fellow Lt. Governor's Award, Division 23 EC&C District, Kiwanis International, for outstanding service as Divisional Treasurer

Senior Managers

The Jamaica National Group

Joscelyn Campbell
Corporate Integrity

Casita Burte
Compensation & Benefits
Office of the CEO

Elaine Williams
Legal

Nigel Thomas
Technical Services

Paula Dyke
Corporate Affairs
& Communication, UK

Anthony Robinson
Group Data Protection Officer

Annissa Thompson
Enterprise Project Management Office (EPMO)

JN Financial Group

Mitzie Samuels
HR Services

Dwayne Brown
Cyber Security

Tawana Gray
Head, Group Accounting and Financial Reporting

Paulette Sterling
Learning and Development
Group Human Resource Development

People First.

Corporate

At its core, The Jamaica National Group is a "Movement":

- We are a "Movement" for the improvement of people.
- A "Movement" for self-assurance; and,
- A vehicle for opportunities for Jamaicans, whether they are resident in Jamaica or overseas.

This is the essence of what we are, and it has been the primary purpose for our existence over these 145 years.

JN Bank signs agreement with Jamaica Police Federation
President of the Jamaica Police Federation (JPF), Inspector *Sheldon Gordon* (seated left), and Managing Director of JN Bank, *Curtis Martin* (seated right), sign an agreement to offer members of the Police Federation specially packaged financial services. The signing took place at the offices of the Jamaica Police Federation in Kingston on March 4, 2019. Witnessing the signing are from left: *Detective Sergeant Patrae Rowe*, General Secretary, JPF; *Saniah Spencer*, Chief Marketing and Product Development and *Ryan Parkes*, Chief, Business Banking and Public Sector Engagement, JN Bank.

Nurses Association of Jamaica sign agreement with JN Bank
President of the Nurses Association of Jamaica (NAJ), *Carmen Johnson* (seated right), and Managing Director of JN Bank, *Curtis Martin* (seated left), sign an agreement to offer members specially packaged financial services. The signing took place at the offices of the NAJ in St Andrew on March 5, 2019. Witnessing the signing are from left: *Saniah Spencer*, Chief Marketing and Product Development and *Ryan Parkes*, Chief, Business Banking and Public Sector Engagement, JN Bank; *Candice Thompson*, Treasurer and *Zetta Burff*, General Secretary, NAJ.

Launch of Shacman Jamaica
Hon Audley Shaw (centre), then Minister of Industry, Commerce, Agriculture and Fisheries; (from left) *Yan Xie*, Regional General Manager, SHACMAN; *Curtis Martin*, Managing Director, JN Bank; *Chris Bicknell*, Chief Executive Officer of the Tank-Weld Group; *John Ralston*, Managing Director at Tank-Weld Equipment give a unanimous thumbs up to the partnership which will see the increased availability of high end trucks in Jamaica. The occasion was the official launch of Shacman Jamaica's local dealership, held at the Spanish Court Hotel on June 25, 2018.

JN Fund Managers wins Investor Relations Award
The JN Fund Managers team celebrate winning the Investor Relations Award at the Jamaica Stock Exchange (JSE) Best Practices Awards held at the Jamaica Pegasus Hotel on December 5, 2018. From left are: *Judith Wilson*, former Marketing Manager; *Jermaine Deans*, Deputy General Manager; *Delories Jones*, Senior Vice President, Sales & Business Development; and *Sharon Whitelocke*, Deputy General Manager. The Best Practices Awards aim to lift standards of service to the investment community by brokers and listed companies on the JSE.

Realtors Association of Jamaica Expo
Steve Distant (right), Chief, Retail Sales, JN Bank, makes a point to Howard Johnson Jr (left), President of the Realtors Association of Jamaica (RAJ), and *Andrew James*, First Vice President, RAJ, during the RAJ Expo 2018 held at the Jamaica Pegasus Hotel on October 7, 2018.

JN Group Financial Seminar for the JDF
Gresford Dinald (right), Sales Manager for the JN Individual Retirement Scheme at JN Bank, has the attention of *Warren Wilson* (left), Head of Sales Support, JN Bank, and *Major Keron Burrell*, Jamaica Defence Force (National Reserve), during the JN Bank financial seminar held at Up Park Camp in St Andrew on July 23, 2018. Members of the Jamaica Defence Force's Third Battalion, the Jamaica Regiment, benefited from a presentation on the products and services offered by The Jamaica National Group Limited.

People First.

Education

For decades, education has played an integral role in the efforts of the Jamaica National Building Society to contribute to the development of our nation.

With its restructuring in 2017, The Jamaica National Group Limited has continued to reward high academic achievement, through the award of 53 JN Foundation secondary and tertiary scholarships.

Maureen Duckie, a shopkeeper of Sevens Road in May Pen, Clarendon, was grateful for the scholarship awarded to her daughter, Jada Duckie, who scored 98.8 per cent in the 2018 GSAT.

"I can't thank JN enough for the scholarship, because I was able to purchase her books and uniform to go back to school. It was an answer to my prayer. I'm feeling so good about it. *God bless JN*," she said.

Jada received the second highest score in the parish of Clarendon, which earned her a place at Glenmuir High School, her first choice.

"The impact of JN's scholarship programme has been invaluable for many who benefit"

"I cannot believe that I had done so well to receive a scholarship. I know a lot is expected of me and without a doubt, I will continue to work hard to make my parents proud," she stated.

Beyond its annual scholarship programme, JN solidified its two decade-old partnership with The Gleaner Spelling Bee competition; continued to build thrift through the JN Bank Schools Savers' Programme; and promoted the teaching and learning of mathematics through the Mathematics Teacher of the Year Award.

Spelling Bee Champions Tour JN Bank
Saniah Spencer, Chief, Marketing and Product Development, JN Bank, congratulates the Spelling Bee champions during a tour of the JN Bank Chief Office on February 8, 2019. From left are: *Rhonoya Anderson*, second place winner; *Darian Douglas*, 2019 Spelling Bee champion; and *Ashleigh Jarrett*, third place winner.

Scholarship Talk with 'Ity'
Ian 'Ity' Ellis, Managing Director of Ellis International, an entertainment production company, has the captive attention of male JN Scholars at the JN GSAT Scholarship Awards Reception, at which Mr Ellis was the guest speaker. The event was held at the Chief Office of JN Bank on September 9, 2018 where 34 students were officially recognised as JN Scholars by the JN Foundation in recognition of their outstanding performance in the Grade Six Achievement Test.

Read Across Jamaica Day
Grade Two students at the Maxfield Park Primary School in Kingston show keen interest during a reading session with *Natasha Levy*, Group Marketing Manager at JN Money Services on Read Across Jamaica Day observed on May 8, 2018.

JN School Savers' Programme
Michelle Webster Gauntlette (right), Youth Marketing Officer, JN Bank, presents *Sandra Graham Mitchell*, grade five Teacher at Dunrobin and School Savers Coordinator, with the School of the Year award, during the JN School Savers' Programme Conference at the Knutsford Court Hotel on July 13, 2018.

Pep Talk
Allan Lewis, Managing Director, JN Fund Managers, recognises students at the Allman Town Primary School answering questions about the Primary Exit Profile (PEP) examinations. He and other senior members of JN Fund Managers visited the school on October 26, 2018 to give grade six students a talk on how to approach the challenge which the new programme presents them.

Math Teacher of the Year
Karema Mullings-Thomas (left), of Carron Hall High School in St Mary, accepts her trophy after being named National Mathematics Teacher of the Year by the Ministry of Education, Youth and Information. Making the presentation are *Dr Tamika Benjamin*, National Mathematics Coordinator, and *Ryan Parkes*, Chief of Business Banking and Public Sector engagement at JN Bank. The event was held at the Terra Nova All-Suite Hotel on March 25, 2019.

People First.

Team Members.

Working with the same company for 50 years is unimaginable for many persons. However, for Brenford 'Spain' Williams, a bearer at JN General Insurance Company (JNGI), formerly NEM Insurance Company, it has been a totally enjoyable experience.

Team Members

At a surprise anniversary celebration for 'Spain', hosted at the insurance company's King Street office on February 15, 2019, employees spoke glowingly about him and his contributions to the company.

Lisa Chambers Clarke, Operations Manager, in charge of the Records Department at JNGI, pointed out that 'Spain' was a valuable employee who was never late or absent, unless he was sick or on vacation.

They hailed him for his philosophical sayings, his tremendous love for his now deceased mother, and for keeping his shoes and motor bike in spotless condition.

"He is one of our customer service champions with an excellent work attitude. He responds positively and a task is never too big for him. To any new task he responds, 'A work mi a work boss, consider it done.' He is respectful and has an upbeat spirit, even if his own world is falling apart. He does not allow anything to ruffle his feathers. He is an exceptional person, and it is a pleasure to work with him," she related.

50 Years of Service
Brenford "Spain" Williams (centre), bearer at JN General Insurance Company (JNGI), gets assistance from Gwendolyn Brown (left), and Euleen Haslam, to cut the celebratory cake in recognition of his 50 years of service to the company on February 15, 2019.

Mr Jarrett is conferred with the Order of Jamaica by His Excellency Sir Patrick Allen, Governor-General of Jamaica, at King's House on October 15, 2018.

Earl Jarrett awarded Order of Jamaica
The Hon. Earl Jarrett, Chief Executive Officer, The Jamaica National Group Limited, examines works of art by members of the management team and employees of The Jamaica National Group who turned out at Fort Charles in Port Royal on December 15, 2019 to celebrate his achievement of the Order of Jamaica in recognition of his exceptional contribution to the banking and financial sectors, public service and volunteerism. This is the second national award to be conferred on Mr Jarrett. In 2008, he received the Order of Distinction, in the rank of Commander (CD) for service to the financial sector.

All Tied Up Bow and Scarf
The Records team at JN General Insurance went all out in the "Tied Up Bow and Scarf" Competition on November 30, 2018. The team, along with several others, vied for the ultimate prize of an all-inclusive adventure day pass in the Golden Season Promotion. Each Friday, teams competed in an exciting challenge.

Top Achievers at JN Bank
Several outstanding achievers at JN Bank, who emerged at the top of their respective job category, were recognised by the Managing Director, JN Bank, *Curtis Martin*, and Deputy Managing Director, *Leesa Kow*, at a special luncheon on September 7, 2018. From left are: *Christabelle Douglas*, Client Relationship Specialist; *Shevan Mitchell*, Member Service Representative; *Shavonne Hamilton*, Member Service Officer; *Oshane Reid*, Operations Support Officer; and *Alethia Carpenter-Peart*, Branch Relationship and Sales Manager – Mandeville.

Missing are: *Tashima Hoilett*, Senior Member Service Representative; *Kayona Mendez*, Client Relationship Officer; *Peta-Gay Xyminis*, Credit Writer; *Tannia Bryan*, Branch Sales Representative; *Tisheicka Cameron*, Operations Assistant; and *Dean Shirley*, Member Hospitality Officer.

Toy Donation
Geovanni Hall (second left) was delighted to have received a toy from members of staff of Total Credit Services (TCS), *Rashida Porteous-Sawyers* (second right), Assistant Manager and *Rashorn Ricketts* (right), Manager, who donated toys to patients at the Bustamante Hospital for Children to cheer them up for Christmas. Sharing in the moment is *Jasmine Simmonds Henry*, Acting Patient Affairs Manager at the Bustamante Hospital for Children. Some 300 toys were donated to the hospital.

Treats for the Homeless
Cedrica Reid, (second right) Marketing Coordinator, JN Money Services (JNMS), presents a gift to a resident of the Marie Atkins Night Shelter during the company's annual Christmas treat for the residents at the shelter on December 18, 2019. Also participating in the visit were *Fabian Sanchez* (second left), Group Chief Compliance Officer, JNMS; *Dwayne Marshall* (centre), Junior Compliance Analyst; and *Victoria Haughton*, Operations Support Specialist.

Euphoria: Rompers & Reindeer Edition
It was an afternoon into evening of style and fashion, fine cuisine and enjoyable entertainment, topped by electrifying performances from Freddie McGregor and Dextor Daps at Euphoria: Rompers & Reindeer, held at Grizzly's Plantation Cove in St Ann on December 29, 2018. More than 1,000 employees turned out to the highly-anticipated JN Group social event of 2018.

Health Wellness.

In support of the ongoing fight against breast cancer, JN Bank launched a month-long campaign, the 'Power of Pink', on October 1, 2018.

"JN Bank's commitment to positively impacting the lives of Jamaicans has been the impetus for the decision to vary the way we observe Breast Cancer Awareness Month in 2018", said Leesa Kow, Deputy Managing Director, JN Bank.

Among the activities planned for the month of October were free health checks and advice about cancer at the JN Bank Half-Way Tree branch. Additionally, a special candle lighting ceremony in the car park at Half-Way-Tree was held to celebrate the lives of the warriors who are no longer with us.

Proceeds from the campaign were used to support the work of the Jamaica Cancer Society and Jamaica Reach to Recovery.

Labour Day at Health Centre

Nicolette Marshall, Member Service Representative of JN Bank Montego Bay, paints the walls of the Type Five Health Centre, which was the Labour Day Project for the parish on May 23, 2018.

Power of Pink Launch

From left: *Yulit Gordon*, Executive Director, Jamaica Cancer Society; *Curtis Martin*, Managing Director, JN Bank; *Carolind Graham*, Chairperson, Jamaica Reach to Recovery; *Leesa Kow*, Deputy Managing Director, JN Bank; and Earl Jarrett, Chief Executive Officer of The Jamaica National Group Limited, at the launch of the JN Bank Power of Pink campaign on October 1, 2018 at the institution's Chief Office in Half-Way-Tree. The Power of Pink initiative was held in observance of Breast Cancer Awareness month to provide support to Jamaican Women fighting the disease.

JN Group Blood Drive

Atiya Stewart (left) of the Corporate Integrity Unit, The Jamaica National Group and Kimberly Henry of the Group Human Resource Development department, were among 26 persons who responded to the invitation to participate in the JN Blood Drive held at the JN Conference Centre on June 27, 2018. Sharing the proud moment is an employee from the National Blood Transfusion Service.

JN Bank presents trophy to UHWI Nurse of Excellence

Leesa Kow (left), Deputy Managing Director at JN Bank, presents *Ruth-Ann Scott Millen*, mid-wife at the University Hospital of the West Indies (UHWI), with the Nurse of Excellence trophy for 2018-2019 during an awards ceremony at the UHWI on July 16, 2018.

People First.

Membership

Being a member of The Jamaica National Group is much more than financial services and much more than saving or doing business. It adds meaning and provides an opportunity to positively influence one's development and the development of others.

Maintaining connection with our members is paramount to us. Some of the ways that we have reached out to our members in the past financial year were with the Community Connection event in Florida, the Jamaican Heritage Promotion and welcome reception in the UK, and Members' Mingles in Jamaica.

Membership

▲ **Welcome Reception**
Jodi-Ann Pantry, second place finisher in the 2007 Digicel Rising Stars, entertains members during the JN Bank Member Appreciation Day held at the JN Bank Half-Way-Tree branch on December 13, 2018.

Reggae Month Celebration ▲
Indie Allen, a newcomer to the Reggae scene, thrills JN customers and staff members of the JN Bank Ocho Rios branch during the JN Bank Irie Wednesday on February 20, 2019. JN Bank Irie Wednesday is a musical showcase that was held at select JN Bank branches across the island during the month of February in observance of Reggae Month.

◀ **Reggae Month Celebration**
Candice Minott (centre), Brand and Integrated Marketing Manager at JN Bank, and *George Baker*, Head of Credit Card Operations, outline the travel itinerary to *Russel Lovelace* (left), who won the grand prize of a six-day all-expense paid trip for two to Trinidad and Tobago Carnival in the second round of the JN Bank Activate, Spend and Go promotion, which was open to JN VISA credit card holders. The presentation was made at the JN Knutsford MoneyShop on February 22, 2019.

Community Connection
Janice McIntosh (right), Chief Representative Officer of the JN Bank Florida Representative Office, shares a moment with members who attended the "After Work Community Connection," organised by the Representative Office in November 2018.

Members' Mingle – St Catherine
Kareen Mason Dennis (left), Client Relationship Officer, JN Bank, Spanish Town branch, dances with *Carrol Davis*, JN Bank member, during a JN Bank members' mingle held at the Arcadia Gardens in St Catherine on January 30, 2019.

Welcome Reception
Leon Hamilton (left), Chief Representative Officer, JN Bank UK Representative Office, in discussion with a newly-recruited Jamaican teacher at a JN-Bank sponsored welcome reception held at the Jamaica High Commission in Central London in September 2018.


People First.
Sports

JN Cayman supports Netball in the Cayman Islands
The Rising Stars 'A' Netball Club claimed the 2018 Open League Netball Championships on March 17, 2018, with a 58-57 sudden death victory over the All Stars 'A'. JN Cayman was a sponsor of the Rising Stars Netball Club in the Cayman Islands Netball Association League Championship.

Squash
Antonio Cumberland (second left) and *Donell James* (second right), were among the participants in the 2018 JNGI Caribbean Junior Squash Championships. Providing support for them are *Gill Binnie* (left), Jamaica Squash Association Junior Programme Manager; *Chris Hind* (right), General Manager, JN General Insurance; and *Bruce Burrowes*, Junior Squash Team Coach.

JN Money Services supports Football in Jamaica
Horace Hines (second right), General Manager, JN Money Services, presents a symbolic sponsorship cheque to *Beneze Barker-Dunn*, (right) Acting Principal, Holy Trinity High School; prior to the school's ISSA/Digicel Manning Cup match at the Bell Chung Oval on September 11, 2018. Witnessing the handover are *Ronaldino Rousseau* (second left), captain, Holy Trinity High School Football team, and *Devon Anderson*, coach. The cheque is in aid of the school's sporting programme.

National Development.

Water Tech Fest
Onyka Barrett Scott (right), General Manager, JN Foundation and *Anaitee Mills* (centre), Consultant, Climate Change Sustainable Division at the Inter-American Development Bank, examine a converted keg being shown by *Jovan Evans* of Aquaflow Products and Services. The occasion was the Water Tech-Fest exhibition held at the JN Bank Chief Office in Half-Way-Tree by the Water Project Jamaica in observation of World Water Day on March 22, 2019.

JN Group Community Security Forum
Dr Herbert Gayle, Social Anthropologist, addresses the audience at the Community Security Forum in May Pen, Clarendon on January 29, 2019. The Jamaica National Group held a series of community security forums between January to March 2019 in locales in which it serves by sensitizing members of the public about important issues pertaining to their safety, as well as to facilitate dialogue about their personal responsibility in this regard.

JN Bank Member Advisory Council
Leesa Kow (right), Deputy Managing Director, JN Bank, has the attention of *Daphne Innerarity* (centre) and *Michelle Hines*, Business Relationship and Sales Manager, JN Bank, Spanish Town, at the JN Bank Member Advisory Council workshop held at the JN Bank Half-Way-Tree branch on January 24, 2019. JN Bank, through the JN Foundation, is engaging members to identify projects that will assist in the development of their communities.

JNGI Beach Clean Up
Shakarah Graham-Stewart (left) and *Dezreen Barrett-Philips*, two of the 30 JN General Insurance team members, recover a refrigerator from the beach near the Palisadoes Go Kart track during the Jamaica Environment Trust organised clean-up on September 15, 2018.

General Stanley McChrystal's *Visit to* Jamaica

General Stanley McChrystal's Visit to Jamaica

Dr Wayne Henry (left), Director-General of the Planning Institute of Jamaica; *Hon. Earl Jarrett*, CEO, The Jamaica National Group Limited, and *General Stanley McChrystal* in conversation following the luncheon.

Commissioner of Police, *Major General Antony Anderson* (right), greets Retired US Army *General Stanley McChrystal* (centre) and *Hon. Earl Jarrett*, Chief Executive Officer of The Jamaica National Group Limited during a call on the Police Commissioner.

Retired four-star United States Army General, Stanley McChrystal, who now functions as an expert and author on leadership, visited Jamaica from March 13-14, 2019 at the invitation of The Jamaica National Group, to address private and public sector leaders at a lecture under the theme: ***Leadership in a Time of Change.*** The event was held at the Jamaica Pegasus Hotel.

The four-star General emphasised to Jamaican private and public sector leaders that a key touchstone of effective leadership is when an organisation is able to grow and flourish even after its current leader has moved on. He also underscored that an important part in positioning organisations to thrive is the ability to adapt to change.

He said...

> **"...leaders play a central role in achieving change by inspiring their charges and those stakeholders who play a critical role in the attainment of the organisation's goals."**

Lieutenant General Rocky Meade (centre), Chief of Defence Staff for the Jamaica Defence Force (JDF) shares a moment with *Hon. Earl Jarrett* (left), Chief Executive Officer of The Jamaica National Group Limited and Retired US Army *General Stanley McChrystal* during a visit to the JDF headquarters at Up Park Camp.

X MARKS THE SPOT
JN FOUNDATION
unicef for every child
FIA FOUNDATION

X Marks the Spot
Students at Hazard Primary School are escorted across the pedestrian crossing by *Parris Lyew-Ayee* (second left), Chairman of the JN Foundation; *Rose Miller* (third left), Grants Manager, JN Foundation; *Mary Smith* (right), Board Member of the JN Foundation, and the Honourable *Mike Henry* (in the background), Minister without Portfolio in the Office of the Prime Minister and Member of Parliament for the constituency. The occasion was the unveiling of infrastructural work at Hazard Primary on November 7, 2018.

Safety for Carnival Road Parade
Jason McNeish (right), Deputy General Manager, the Jamaica Automobile Association, seals an agreement with *Scott Dunn* (centre), Managing Director of Dream Entertainment and *Macheri Samuels*, Project Manager, Dream Entertainment on March 19, 2019. Xodus Carnival Band, a development of Dream Entertainment, partnered with the Jamaica Automobile Association (JAA), to enhance the safety and convenience of its approximately 4,000 participants who marched in the Carnival Road Parade on April 28, making this the biggest carnival in the country's history, in terms of participants.

Entrepreneurship

Thousands of entrepreneurs have benefited from small business loans financing since the inception of JN Small Business Loans (JNSBL) in 2000. The company has played an active role in the development of small businesses in Jamaica and has positively impacted the country's economic growth, as reflected in the number of jobs created in the Micro, Small and Medium Enterprise (MSME) sector.

These jobs have been created in a wide range of sectors, including agriculture, beauty care, fashion, retail, craft, food and hospitality.

Beulah Kelly, owner of Kelly's Water Sports in St. James said that JNSBL came to her assistance in 2011 when she needed additional equipment to expand her operations. "I remember we wanted to purchase a new boat, but didn't want to use up all our funds," she said. "We found the borrowing process to be smooth, and since then, we have maintained a relationship with them, and they are always there for us."

Support to entrepreneurs were also provided through the Social Enterprise Boost Initiative (SEBI), a project of the JN Foundation and the U. S. Agency for International Development (USAID).

"...Our philosophy at JNBSL is to assist Jamaicans to operate their own businesses, and grow the employment pool, which has contributed to the creation and maintenance of almost 200,000 jobs," explained Gillian Hyde, General Manager, JNSBL."

JNSBL Barber and Beauty Battle 2018
Gillian Hyde (second right), General Manager, JN Small Business Loans, shares the spotlight with winners of the 2018 JNSBL Barber and Beauty Battle at the National Arena on July 1, 2018. From left are *Anthony Drysdale*, barber; Kimone Shirley, nail technician; *Didre-Ann Bartley*, hairdresser; and *Shellene Gregory*, make-up artist. The competition, since its inception in 2015, has grown to become a much-anticipated event among members of the beauty industry.

JNSBL and Red Stripe MoU Signing Cassava farmer, *Antonio Porter* (left), makes a point to *Ricardo Nuncio* (right), Managing Director, Red Stripe; and *Gillian Hyde*, General Manager, JN Small Business Loans (JNSBL). They were at the signing of a Memorandum of Understanding between Red Stripe and JNSBL at Red Stripe on May 3, 2018. The MoU allows farmers who are a part of Red Stripe Project Grow – an initiative to replace imported high maltose corn syrup by 2020 with 40 per cent cassava starch in its brewing process - to access funding from JNSBL.

Bresheh - A SEBI Beneficiary
Jason McNeish (right), then Marketing Manager, The Jamaica National Group, examines one of the bags produced by Bresheh, with *Randy McLaren*, co-founder and Managing Director of Bresheh, at the official launch of the company's new collections of bags on September 28, 2018 at the Opa Restaurant, Devon House, Kingston. Bresheh was one of the social enterprises that benefited from SEBI, a project of the JN Foundation and USAID.

JN Bank at Canada Expo
Earl Samuels (second right), Chief Development Financing Officer of The Jamaica National Group, has the attention of (from left): *Andrew Wynter*, Chief Executive Officer, the Passport Immigration & Citizens Agency; *Deirdre English Goss*, Chief Executive Officer, Registrar General's Department and *Marie English-Chritchlow,* business owner of Just Incredible Hair. The occasion was the Toronto Reception for the Jamaica National Expo, held in Toronto and Montreal, Canada on April 28 and 30, 2019. Some 40 exhibitors from Jamaica and member companies of The Jamaica National Group participated in the Expo.

Blue Mountain Coffee Festival
Nickeisha Cleary (centre), Retail Sales Manager, JN Bank, discusses available opportunities to coffee farmers with *Shane Brown* (left) and *Milton Francis.* They were attending the Jamaica Blue Mountain Coffee Festival, which was held at the University of Technology on March 1, 2019.

Diaspora USA Leadership Summit
Horace Hines, General Manager, JN Money Services and Honourable Earl Jarrett, Chief Executive Officer, The Jamaica National Group, greets *Senator the Honourable Pearnel Charles, Jr.*, Minister without Portfolio in the Ministry of Economic Growth and Job Creation, Jamaica at the DIASPORA USA LEADERSHIP SUMMIT held at the Morrow Conference Centre, Atlanta, Georgia on November 17, 2018.

Outlook NY
Police Commissioner, Major General Antony Anderson, addresses Jamaicans in New York at the JN Outlook for the Future forum at the New York Marriott by the Brooklyn Bridge on July 19, 2018. Seated to the Commissioner's left is Trudy Deans, then Consul General for Jamaica to New York, and to his right is Hon. Earl Jarrett, Chief Executive Officer, The Jamaica National Group.

Outlook NY
Members of the Jamaican Diaspora in New York pose questions to Commissioner of Police, Major General Antony Anderson, during the JN Outlook for the Future forum at the New York Marriott by the Brooklyn Bridge, July 19, 2018

Diaspora

JN OUTLOOK TORONTO

Denise Jones of Jones and Jones Productions takes the opportunity to ask questions about the emergence and management of crime in the parish of Portland, Jamaica during questions and answers following a presentation by Commissioner of Police, Major General Antony Anderson at the JN Outlook for the Future forum in Toronto on July 17. The event, organised by The Jamaica National Group, was held at The Omni King Edward Hotel in downtown Toronto.

Police Commissioner, Major General Antony Anderson, addresses Jamaicans in Toronto about crime and violence at the JN Outlook for the Future forum in Toronto on July 17, 2018. The event, organised by The Jamaica National Group, was held at The Omni King Edward Hotel in downtown Toronto.

Jamaicans in Toronto listen keenly as Police Commissioner in Jamaica, Major General Anderson updates Jamaicans in Toronto on measures to abate crime and violence in Jamaica.

WINDRUSH 70th ANNIVERSARY
United Kingdom

Left-right, *Hon Oliver Clarke*, OJ, Chairman, The Jamaica National Group, *Mr Alford Gardner*, 92 year-old Jamaican who travelled to the UK on the SS Empire Windrush in 1946, *HE Seth George Ramocan*, Jamaican High Commissioner to the UK, *Ms Shirley Thompson*, English composer, conductor and violinist of Jamaican descent, Senator the *Hon. Pearnel Charles, Jnr*, then Minister of State in the Ministry of Foreign Affairs & Foreign Trade, *Hon. Earl Jarrett*, CEO, The Jamaica National Group and *Major General Antony Anderson*, Commissioner of Police, Jamaica, pose for a group photo at the 70th Anniversary Windrush celebrations, hosted by the Speaker of the House of Commons at the Houses of Parliament in June 2018.

Honourable Earl Jarrett, CEO, The Jamaica National Group Limited, in discussion with His Royal Highness, The Prince of Wales, at a reception to mark Their Royal Highnesses official visit to the The Gambia, Ghana and Nigeria held in the State Rooms of St. James' Palace in London on October 24, 2018.

Honourable Earl Jarrett, CEO, The Jamaica National Group Limited, meets Her Royal Highness, The Duchess of Cornwall, at the aforementioned reception.

The Jamaica National Group Limited and The Voice Newspaper hosted a special reception at the Speaker's House in Westminster Parliament to acknowledge and honour the achievements of the Windrush Generation in June 2018. Sharing in the occasion are (from left): *Levi Roots*, celebrity chef and businessman; *Major General Antony Anderson*, Commissioner of Police for the Jamaica Constabulary Force; *Lord Mike Whitby*, English Conservative Party Politician and former leader of Birmingham City Council; and the *Hon. Oliver Clarke*, Chairman of The Jamaica National Group.

JN FINANCIAL GROUP

The JN Financial Group provides a wide range of financial services to Jamaicans that span money services, general and life insurance, commercial banking and small business development.

The insurance companies within the group are regulated by the Financial Services Commission, while its deposit taking, lending and remittance entities are regulated by the Bank of Jamaica.

JN Bank

JN Bank, the commercial banking member company of the JN Financial Group, provides a wide range of innovative products and services which includes personal loans, mortgages, credit cards, lines of credit, commercial loans, chequing accounts and a range of short, medium and long-term savings accounts. The bank is among the country's top three largest commercial banks in Jamaica, based on its assset size.

April 2018 – March 2019

$9.7 B
Assisting 827 people to own a home or property

$2 B
Assisting 959 people to access a motor vehicle

$4.7 B
Assisting 8,827 persons with personal obligations

$3.3 B
Supporting 3,171 persons with accessing insurance premium financing

JN Cayman

JN Cayman is the only building society in the Cayman Islands. Its principal activities are providing mortgages and savings through regular savings accounts and fixed deposits. Savings accounts are offered in US and CI dollars. In addition, the building society provides an online banking platform, JN Cayman LIVE, to assist members to monitor their accounts and conduct various trasactions online.

April 2018 – March 2019

Total Assets
CI $39 M

Mortgage portfolio
CI $1.75 M

Deposits
CI $1.7 M

JN Fund Managers Ltd.

JN Fund Managers Ltd., a licensed securities dealer and full-service investment manager, offers Wealth Management, Asset Management, Pension Fund Administration and Investment Banking services. The company is also a Primary Dealer designated by the Bank of Jamaica and operates as a member/dealer on the Jamaica Stock Exchange.

April 2018 – March 2019

Clients served
4,128

Total funds under management
$48 B

Life Insurance COMPANY LIMITED

JN Life Insurance Company Limited provides life insurance solutions for Jamaicans who own a home, borrow from micro financing companies, employees of companies. The company also provides: Group Life Insurance, Individual and Family Critical Illness plans, Whole Life and Family Indemnity Plans geared at providing a safety net for ordinary Jamaicans who may suffer misfortunes in life.

April 2018 – March 2019

Group Life Insurance	Provided to 37 companies covering 4,660 lives
Credit Life Insurance	Contracts with 12 organisations covering 39,545 lives
Individual Life	Covering 591 lives
Total lives covered across all product lines	**44,803**

SMALL BUSINESS LOANS

JN Small Business Loans offers a range of flexible credit options through its over 30 locations across the island to better position individuals, to include micro and small business owners, to achieve life goals of owning and operating a business and building a better quality of life for themselves.

April 2018 – March 2019

16,416
Clients

PORTFOLIO SIZE

20,395 **Loans** | **$4.8 B** **Loans**

Jobs created and maintained since inception
200,000

JN MONEY SERVICES LTD.

JN Money Services is a global remittance brand which offers a network of over 8,000 branch and agent locations in Jamaica, the United Kingdom, USA, Canada, Ghana, the Philippines and the Caribbean.

Trading as JN Money, the company provides its customers with several options to conduct business, including online. Customers who use the online service have the option to send funds for over the counter pick up, directly to the JN Money card or to a local financial institution as well as paying bills in Jamaica.

April 2018 – March 2019

Total remittances sent

1.35 million

Value of remittances

$46.8 B

JN GENERAL INSURANCE

Providing motor, homeowner, business and other insurance, JN General Insurance Company Limited (JNGI) aims to provide reliability in uncertain times. Formerly NEM Insurance, it is the longest established of all General Insurance companies in Jamaica, with a tradition of excellence that dates back to its foundation in 1934

January - December 2018

Claims Net Promoter score

69%

(International Benchmark = 33%)

Claims Paid

3,649

Curtis Martin, MBA, BSc
Managing Director

Curtis Martin was appointed Managing Director of JN Bank Limited in September 2018.

He previously served as Chief Financial Officer for The Jamaica National Group Limited and Assistant General Manager, Treasury and Investments for the Jamaica National Building Society. During his tenure he achieved a proven track record for driving revenue, growth and efficiency across the JN Group.

He has operated in the capacity of Senior Executive in areas such as finance, treasury and investments management and merchant and commercial bank management for over 30 years at several major financial institutions. He commenced his career in the financial sector at the Bank of Jamaica.

As Chairman of the Jamaica Stock Exchange & Jamaica Central Securities Depository (2006-2011), he led the diversification of the organisation's revenue stream through the development and launch of the Junior Stock Market, JSE Trustee Services, JSE E-Learning Institute and the Caribbean Exchange Network (CXN).

He received the BSc, Management Studies from The University of the West Indies and the MBA, Finance from Columbia University, New York. He is a Director of the Jamaica Central Security Depository (JCSD) a JCSD Trustee Services Member and a Member of the Kingston College Old Boys' Association.

JN Bank

Leesa Kow, MSc, BSc
Deputy Managing Director

Effective March 2019, Deputy General Manager of JN Bank, Leesa Kow, was assigned new portfolio responsibilities. She now has direct oversight and management of the Bank's risk framework, which includes the Risk, Compliance and Operations portfolios and continues to be responsible for IT and Customer Experience and Service Recovery.

In this new role, Ms Kow will lead the alignment of JN Bank's business strategies and its risk framework, identifying and managing risks that have the potential to affect capital, business continuity and regulatory requirements. She will also seek to promote effective corporate governance and maintain a strong compliance culture.

Ms Kow joined the former Jamaica National Building Society in 2003 as Senior Manager, Remittances and was integral to the establishment of JN Money Services Limited (JNMS) and its flagship brand, JN Money Transfer, which is today known as JN Money. She was promoted to Executive, Marketing, Sales and Promotion at JNBS in 2006 and two years later, she was appointed General Manager of JNMS.

During her leadership of JNMS for more than eight years, she created the popular, I Love Jamaica marketing campaign and led the aggressive expansion of the company, making JN Money Transfer the largest remittance brand from the Caribbean. The company expanded from some 200 branches and agents to more than 8,000, spanning three continents over a three-year period.

Ms Kow is a former president of the Jamaica Money Remitters Association, serving at the helm of that organisation from 2012-2017 and has represented the remittance industry locally, regionally and internationally.

Ms Kow completed the BSc, Management Studies and Accounting (First Class Hons), and the MSc, International Business (distinction), both at The University of the West Indies (UWI).

JN Bank

Audrey Williams
Chief – Treasury & Investment

Janice Robinson Longmore
Chief – Operations

Steve Distant
Chief – Sales

Saniah Spencer
Chief – Marketing & Product Development

Keisha Melhado-Forrest
Chief – Credit Risk Management

Ricardo Dystant
Chief – Channels

Helen Bloomfield
Chief – People and Culture

Ryan Parkes
Chief – Business Banking

Belinda Clarke Robinson
Chief – Finance

Peta-Gaye Fairclough
Chief – Risk & Compliance

JN Fund Managers Ltd.

Allan Lewis, ASA, MBA, Ed.M, BSc
Managing Director

Allan Lewis has led the team at JN Fund Managers since October 2016. Under his leadership, the Company has continued its transition to provide a full suite of wealth management services, including investment banking and mutual funds. More importantly, he has become involved in other JN Group member companies as a member of the management oversight committee for the establishment of JN Bank UK and as a member of the JN Bank Asset & Liability Committee.

Prior to joining JN Fund Managers, Allan worked with several local financial institutions, where he gained vast experience in asset management; enterprise financial risk management; mergers and acquisitions; as well as wealth management, money transfer, pension funds management and administration services.

In addition to serving as a director of JN Fund Managers, he is a director of the St. Lucia based Consolidated Foods Limited that operates supermarkets in St. Lucia and St. Vincent; and is Chairman of the Jamaica Racing Commission/Betting Gaming & Lotteries Commission Pension Fund.

Allan is an Associate of the Society of Actuaries. He achieved a BSc (Hons), Actuarial Science degree from Western University, Ontario, Canada, as well as an MBA, Actuarial Science and the Ed.M., Urban Education degrees from Temple University, Philadelphia, USA. He received USAID and Commonwealth scholarships to pursue his graduate studies.

He has served as Chairman of the Pension Funds Association of Jamaica and led the advocacy body to improve the relationship and communication with its regulators. Up until June 2016, he served as Chairman of the Jamaica Stock Exchange (JSE), focusing the organisation to maximize shareholder value. During his tenure as Chairman, the JSE was recognized by Bloomberg as the number one performing stock market index in the world in 2015.

Allan is deeply involved in his community. He currently serves as Chairman of the Operations Committee of the Professional Football Association of Jamaica, is a member of the Kiwanis Club of North St. Andrew and continues to mentor final year students at The University of the West Indies.

Fund Managers Ltd.

Sharon Whitelocke
Deputy General Manager

Jermaine Deans
Deputy General Manager

Patrick Blake
Senior Manager, Accounting

Delories Jones
Senior Vice President
Sales Strategy

Chris Hind, MBA, BA
General Manager

Chris Hind brings a wealth of experience in risk management within the Jamaican financial sector and sound knowledge of fiscal regulatory procedures to the oldest general insurance company in Jamaica. He has served as Head of Operational Risk for the JN Group and, prior to entering the financial sector, was in charge of Special Investigations at the Revenue Protection Division of the Ministry of Finance and Planning.

He was appointed General Manager of NEM Insurance Company (JA) Limited in 2007 and was instrumental in guiding the re-branding of the company to become JN General Insurance Company Limited (JNGI) in 2012. Under his leadership, JNGI has delivered a much improved underwriting performance, rolled out an industry leading corporate outreach programme and achieved excellent satisfaction ratings from its brokers and customers.

Chris has the BA (Honours) in Modern Languages from the University of Bristol and the MBA from the Cranfield School of Business in the United Kingdom. He is a member of the Executive Committee of the Area Four Police Civic Committee and President of the Jamaica Squash Association. He likes to travel, is a keen student of current affairs and modern history and plays squash to keep fit.

JN GENERAL INSURANCE

Andrea Gordon Martin
Assistant General Manager
Operations

Joseph Holness
Assistant General Manager
Reinsurance & Underwriting

Glenroy Prendergast
Senior Manager, Finance

Karlene Leveridge
Senior Manager
Human Resource Development

Shelley-Ann Walker
Senior Manager, Compliance & Risk

Lynford Reece
Senior Manager, Distribution

Life Insurance COMPANY LIMITED

Oliver Tomlinson, MBA, BSc, Hon. D.H
General Manager

Oliver Tomlinson has been at the helm of the JN Life Insurance Company since it began underwriting Life Insurance business in 2013. He has been working in the financial industry for more than 20 years, with managerial experience in Remittances, Foreign Exchange Trading and Life Insurance. Prior to joining the private sector, he worked as a teacher for five years, specializing in Deaf Education and the teaching of mathematics.

As the head of JN Life Insurance, Mr Tomlinson established the strategic direction and has guided the company on a profitable growth path since its commencement of business. Under his guidance, the team at JN Life Insurance has developed products designed to meet the needs of its parent company, as well as to provide insurance coverage for families, individuals and other institutions.

He is an executive member of the Insurance Association of Jamaica (IAJ) and a member of the Jamaica Association of Insurance and Financial Advisors (JAIFA) and is an adjunct lecturer in the Joan Duncan School of Entrepreneurship, Ethics and Leadership (JDSEEL) at the University of Technology (UTECH).

Mr Tomlinson holds a Master in Business Administration from the Florida International University, a Bachelor of Science degree in Government from The University of the West Indies and a Teaching Diploma in Special Education from the MICO University College. In November 2018, the Cornerstone Christian University in Orlando conferred the Doctor of Humanities, *honoris causa*, upon Mr. Tomlinson in recognition of his work in the Christian Community in Jamaica.

Life Insurance COMPANY LIMITED

Davia Brown
Assistant General Manager
Finance and Investment

Damion Ffriend, JP, PhD
Sales and Service Manager

Sandrina Watkins
Operations and Product
Development Manager

JNMS MONEY SERVICES LTD.

Horace Hines, MBA, BSc
General Manager

Horace Hines was appointed General Manager of JN Money Services in November 2017. He has supported the growth and development of JNMS since 2003, significantly contributing to the remittance company becoming a global brand for Money Transfer and Payment Solutions. He also continues to participate in several JNMS outreach programmes in Jamaica and the Diaspora.

Mr Hines holds a Bachelor of Science in Management and a Masters in Business Administration from the Nova Southeastern University. He has received other certification in industry related fields from the Mona School of Business, University of Technology and the Harvard Business School. He is also a Certified Anti-Money Laundering Specialist.

A strong team player, Mr Hines is an ardent professional who has had a long-standing relationship with the JN Group, with a track record of excellence in service. He has served in several capacities at the Jamaica National Building Society for over 20 years.

Actively involved within the wider community, he is a member of the Lions Club of St. Andrew and the Kingston Cricket Club.

JN MONEY SERVICES LTD.

Martin Gooden
Assistant General Manager

Maxine Hinds
Regional Manager, South East
JN Money Services (USA) Inc
Florida

Harry Bhoorasingh
Regional Manager, North East
JN Money Services (USA) Inc
New York

Dianne Augustin
Territory Manager
JN Money Services (UK) Limited

Claude Thompson
Regional Manager
JN Money Services (Canada) Limited

Glenroy Henry
Country Manager
JN Money Services (Cayman) Limited

Sanya Wallace
Senior Manager
Strategic Planning & Marketing

Gillian Hyde, MSc, BSc
General Manager

Mrs Gillian Hyde joined the JN family in 2003 and has served in several areas, to include Finance & Accounting, as well as Corporate and Strategic Planning, where she spent a number of years and was integral in charting the path for the achievement of significant milestones throughout the Jamaica National Building Society. She spent a short stint as Member Ombudsman and Executive in charge of Customer Service, where she built on her client engagement and relationship expertise.

This solid foundation formed a pathway to her appointment as General Manager of JN Small Business Loans Limited, one of Jamaica's premier microfinance providers. Mrs Hyde is passionate about the company's mission to enrich the lives of its customers, families and communities through its focus on the provision of flexible credit options and programmes that enhance the livelihood of the people they serve. She contributes to the ongoing development of the sector through her membership on the Boards of the Jamaica Association for Micro-Financing (JAMFIN), and the Caribbean Micro Finance Alliance (CMFA).

Mrs Hyde holds a Master of Science in Management Information Systems and the Bachelor of Science in Management Studies and Psychology from The University of the West Indies. She has also participated in key development programmes, including a certificate course in Inclusive Finance from the Harvard Business School.

Mrs Hyde is also a strong supporter of programmes which promote youth development which she views as a major conduit for building a stronger Jamaica. As such, she remains an active member of the school community and has served in various roles, namely, President of the Parent Teacher Association and has been a member of a number of committees, while supporting sports development in the area of Track and Field.

SMALL BUSINESS LOANS

Thelma Yong
Deputy General Manager

Keisha Bent
Senior Manager
Finance, IT and Administration

Marcia Patterson-Baugh
Senior HR Business Partner

CAYMAN

Gladstone 'Tony' Lewars, CD, FCA, MSc, BSc
Chairman

Gladstone 'Tony' Lewars is a retired partner from PricewaterhouseCoopers (PwC), where he was the Leader of the Advisory division of the firm and Human Capital Leader for the federation of eight PwC Caribbean territories.

In 2015, he was conferred with the honour of The Order of Distinction (Commander Class) in recognition of invaluable service to the public and private sectors of Jamaica.

He sits on the Board of JN Money Services Limited, and Chairs the Boards of JN Cayman and JN Money Services (Cayman) Limited.

He also sits on the Boards of Guardian Life Ltd, Mayberry Investments Ltd and Kingston Properties Limited (KPREIT). He Chairs the Boards of Guardian Foundation and The Holy Trinity High School and is a member of the Board of Governors of Alpha Academy. He served as a Commissioner of the Police Services Commission and now sits on the Police Civilian Oversight Authority. He serves as the Secretary/Director for the Jamaica College Trust.

He completed the Masters in Economics, the Masters in Accounting and the BSc in Economics (Honours) with The University of the West Indies.

Our Services

Banking Services

JN BANK is a strong member-owned Jamaican bank committed to your growth and financial success, offering Mortgages, Savings, Chequing, Retirement and Credit Card solutions to our members.

JN CAYMAN a financial institution delighting local and international customers with range of superior savings, loans & other financial products.

Technology

MC SYSTEMS LIMITED utilizes emerging technologies to solve complex business problems and to deliver greater value to our clients and stakeholders.

Remittance & Payment Services

JN MONEY SERVICES continues to connect people in the Diaspora with family in Jamaica, through Remittance Services, Bill Payment options, fund transfer and mobile top up.

General Insurance

JN GENERAL INSURANCE is committed to providing peace of mind for our customers and intermediaries, job satisfaction for our employees and excellent returns for our shareholders while inspiring others with our work in the community.

Small Business Loans

JN SMALL BUSINESS LOANS believes fully in the spirit and innovativeness of Jamaicans and is committed to delivering affordable credit to assist entrepreneurs realise their dreams.

Health & Life Insurance

JN LIFE INSURANCE COMPANY LIMITED offers affordable insurance solutions to companies and individuals as it seeks to indemnify Jamaicans in the event of loss of life, serious injury or chronic illness.

Property Management

JN PROPERTIES LIMITED provides property and project management, valuations and real estate advisory portfolio. We manage commercial and residential renovation, including buildings, land, ATM locations and parking lots.

Wealth Management

JN FUND MANAGERS LIMITED is a licensed securities dealer and full service investment manager offering Wealth Management; Asset Management; Pension Fund Administration and Investment Banking.

Community Involvement

THE JN FOUNDATION works with internal and external partners to identify, develop and provide technical and financial support to programmes that focus on issues relating to rural development, health, housing, education, youth, community, crime and safety.

Fleet Management and Roadside Assistance

THE JAMAICA AUTOMOBILE ASSOCIATION (JAA) provides road users across the island with member services and is also a source of vital information on safe road use and practices.

Asset Recovery

TCS seeks to satisfy its clients by providing exceptional service in asset recovery. We are committed to the highest level of ethical standards, respect and excellence in our dealings with all that we serve.

Creativity

THE CREATIVE UNIT is a team of versatile professionals, offering Creative Production, Event Planning, Digital and Large Format Printing, Account and Media-Planning all in one place.

The MCS Group Limited, the non-financial arm/division of The Jamaica National Group, symbolizes a bold and value- driven innovative mix of businesses providing services and solutions for the public and private sector in Jamaica, with a footprint into many Caribbean countries.

Financial Year April 2018 – March 2019

After tax profits **$81 M**

Operating Revenue **$178 M**

MC Systems Limited is one of the largest information and communication technology partners for companies in the Caribbean, delivering business critical solutions in the payroll, payments, infrastructure and analytics space for over four decades.

April 2018 – March 2019

IT Services provided in **17** Caribbean Islands

446 ATMs supported

84,000 Employees paid via our BizPay Platform

Jamaica Automobile Association (Services) Limited is the premier automobile club dedicated to fulfilling the mobility and transportation needs of clients, inclusive of concierge (chauffeur and shuttle) services, driving academy, mobile claims, fleet management, roadside assistance and other member services.

April 2018 – March 2019

JAA Advance Cards **21,895**

Responses to emergency calls **2,890**

JAA Advance Card Transactions **1.1 million**

Driving Academy lessons **2,600**

Financial Year April 2018 – March 2019

The Creative Unit Limited, provides creative and media services, print and electronic production.

Operating Revenue **$499 M**

JN Properties Limited, a property management and development company, seeks to design and manage commercial and residential properties and work spaces that support people in doing their best work every day, wherever they are. The company also provides residential property management services, construction project management and property advisory services to optimize clients' investments in real estate assets.

Operating Revenue **$314 M** (20% increase over previous year)

Profit after tax **$31.9 M**

Number of properties under management **105** | Value of properties under management **7.155 B**

Total Credit Services Limited is a professional debt management company with over 15 years of proven expertise in debt recovery and collections and improving the cash flow of clients. Other services include Foreclosure, Public Auction and Private Treaty Management Services, Inspection of Properties, Credit Rehabilitation, Consultancy, Purchase and Sale of Loans and Receivables Portfolios.

Number of accounts restored **2,303** | Number of customers served **5,517**

MCS GROUP LIMITED

Onika Miller, MBA, BSc
Managing Director

Onika Miller was appointed Executive for Government Relations and Public Policy, Jamaica National Building Society in October 2015. In this role, she focused on strategic engagements with government agencies and other public sector entities, developed strategies to identify and create new business opportunities for JN, as well as maintained linkages with regulators, governing bodies and corporate entities.

With the restructuring of The Jamaica National Group Limited on February 1, 2017, Ms Miller was appointed Managing Director of the MCS Group, leading the subsidiaries of the JN non-financial group.

She previously served as Permanent Secretary in the Office of the Prime Minister for nearly six years, where she provided technical and policy support to three Prime Ministers. As Permanent Secretary and Accounting Officer she was responsible for the direct management and control of the Office of the Prime Minister and for the supervision and oversight of the various public bodies falling within the portfolio of the Ministry. Ms. Miller also provided technical support and advice regarding the visits of Heads of Government/State to Jamaica. Additionally, on many occasions, she represented Jamaica in bilateral meetings with Government leaders of CARICOM countries and with Heads of State of several other countries.

As a sure-footed public servant employed to the Government of Jamaica since 1996, she has also worked in several other capacities, including Chief Technical Director of the Office of the Cabinet and Director of the Local Government Reform Programme.

Ms. Miller was the Chairperson of the Policy Committee of the Permanent Secretaries Board. She previously served as a board member on several public bodies, including the PetroCaribe Development Fund, Jamaica Social Investment Fund, Jamaica National Heritage Trust and Fiscal Services Ltd.

Qualifications

- Master of Business Administration (Hons.), University of New Orleans
- BSc (Hons.), Zoology, The University of the West Indies

Donna Mesquita
Senior Manager, Marketing

Latoya Johnson Brown
Accounts Manager

Kerine Golding Wright
Chief, Strategy and Business Development

MC SYSTEMS

Dwayne Russell

General Manager

Dwayne Russell joined Management Control Systems Limited (MC Systems) in 1995 as a Senior Accountant. In May 2016, he was appointed General Manager of the company, then a subsidiary of the Jamaica National Building Society. As the building society was restructured in 2017, Mr Russell continues to head MC Systems, now a subsidiary of The Jamaica National Group Limited.

In his more than two decades at MC Systems, Mr. Russell has held several leadership roles in the areas of finance, sales & marketing, business development, product development and support.

As Finance Manager, he was instrumental in restructuring the department, incorporating the Solomon Accounting Software, which enabled the integration of all software and resulted in improve efficiencies. He also spearheaded a credit policy that led to a 75% reduction in the company's annual bad debts and implemented cash management strategies, which resulted in cash reserves in excess of $150 million.

The company's Electronic Phone Card Division grew during his tenure as Assistant General Manager, as his team fused marketing, sales, information technology and customer service strategies to make their division the most profitable in the company.

He also managed the implementation of new business lines, which gave MC Systems access to companies in countries across the Caribbean, improving MC Systems' export business; and contributed to its recognition by the Jamaica Exporters Association (JEA), emerging as the Champion Exporter, annually from 2012 to 2016.

Mr Russell holds a Diploma in Business Administration, Accounting major, from the University of Technology, Jamaica. He also holds certificates in Project Management, Business Analysis, Data Analytics and Unix Database Administration.

He is a member of the Jamaica Computer Society, Electronic Transaction Association (ETA) Payment Sales and Strategy Committee, Institute of Internal Auditors and the Institute of Jamaica (IOJ) Finance Committee.

MC SYSTEMS

William Dewar
Assistant General Manager
Operations and Customer Service

Colin McGann
Assistant General Manager
Innovation and Research

Joseph McKinson
Senior Consultant
Sales and Partner Relationships

Horace Sinclair
Senior Consultant, Services

Salomie Lyle-Scott
Manager, Project Management Office

Wayne Palmer
Manager, Finance

Dodgry Newell
Manager, Business Development

JAMAICA AUTOMOBILE ASSOCIATION

Andrea Martin

Acting Deputy General Manager

Acting Deputy General Manager, Andrea Martin, has been responsible for Operations at the Jamaica Automobile Association (JAA) since November 2018. She joined the Jamaica National Building Society (JNBS) in 2003 as Administrative Assistant to the General Manager and was promoted to Executive Assistant in 2007, assuming additional responsibility to arrange overseas travel for all JN executives. In 2011, she was appointed Internal Travel Consultant for the JN Group of companies, arranging local and international travel for JN Group employees.

She was promoted to Procurement Manager for JNBS in 2013 with responsibility to procure goods and services, arrange local and international travel, manage relationships and payments with suppliers, as well as inventory management. With the launch of JN Bank in February 2017, Miss Martin was appointed Procurement & Administration Manager for the bank, continuing with her previous responsibilities and adding management of the Mail and Courier department.

Before joining the JN Group, Miss Martin worked with the Jamaica Cancer Society for six years. She is Chairperson of the Survivorship Committee of the Jamaica Cancer Society's annual Relay for Life. She completed the Bachelor of Arts degree in Business Administration (Hons.) with the University College of the Commonwealth (UCC) and the Master of Business Administration with the University of South Wales.

Jason McNeish

Acting Deputy General Manager

A skilled marketing professional, Jason McNeish is focused on exceeding revenue goals and growing customer-based businesses. His experience in marketing campaign development and execution will bring value to his position as Deputy General Manager – Membership (Marketing, Sales, Subscription, Customer Service, Staff Engagement and Innovation) at the Jamaica Automobile Association.

As Youth & Digital Media Officer at the Jamaica National Building Society for three years, he created the successful JN Way youth marketing initiative, to promote financial literacy and empowerment among tertiary students. He gained further experience as Brand Manager with J. Wray & Nephew, returning to work with the JN Group as Marketing Manager in November 2015, until his promotion to Deputy General Manager at the JAA in November 2018.

Mr McNeish attended the University of the West Indies (2006-2010), where he studied Tourism Management and Marketing. He holds a Certificate in Project Management from the Mona School of Business and Management and a Post Graduate Diploma in General Management from the Management Institute of National Development.

He is a Director of the Jamaica Race Drivers' Club and President of the St Jago High School Past Students' Association. In July 2010, he received the Governor-General's Youth Award for Excellence.

THE Creative Unit LIMITED

Roland Watson-Grant

Chief Creative Specialist

Roland Watson-Grant studied Literatures in English at The University of the West Indies (UWI) before continuing in advertising, a career he began before UWI and one that spans some 20 years.

He has served as Creative Director for four agencies and is responsible for several campaigns for Jamaica's leading brands. His work in the industry includes training and experience in the US, Australia and the wider Caribbean.

Roland joined TCU in 2018 as Chief Creative Specialist, bringing over two decades' experience in concept development, copywriting, creative direction and electronic production to the Creative Unit. He holds certificates in these disciplines from the American Management Association and the Creative Production and Training Centre (CPTC).

An author of two novels, Mr Watson-Grant's work has been translated into Spanish and Turkish, and in 2018 he was the recipient of a Bronze Musgrave Award for Eminence in Literature from the Institute of Jamaica.

TOTAL CREDIT SERVICES LTD.

Kevin Nightingale
General Manager

Kevin Nightingale was appointed General Manager of Total Credit Services (TCS) in July 2017. He joined the Jamaica National Building Society (JNBS) in 2004 as a Mortgage Collector and subsequently joined Total Credit Services Limited in 2006 as Loan Recovery Manager, where he managed the day to day collection and recovery operations of the company.

He began his career in the financial sector in 1985, working at National Commercial Bank (NCB), Bank of Nova Scotia and Dennis Joslin Ja (Inc). Over the years, he has acquired invaluable experience in loan recovery and has logged more than two decades of knowledge and experience in handling bad debt portfolios.

Mr Nightingale has developed a unique ability to negotiate payment resolutions with the owners of distressed loans, employing a 'win win' strategy. He is also highly informed about debt collection software solutions, such as: Debt Manager, Tsys, and Integrated Collection Management System (ICMS).

A past student of York Castle High School, he is actively involved in community life. He has served as President of his community's Citizens' Association for eight years and is still an executive member. His other interests include: sports, music, travelling and photography.

Lieutenant Colonel (retired)

Garfield Prendergast, JP, MA, MSc

General Manager

Lieutenant Colonel (Retired) G S Prendergast joined the Jamaica National Building Society in January 2014 as Executive, Administration. He was appointed General Manager of JN Properties Ltd. in June 2017.

He has served as a Commissioned Officer in the Jamaica Defence Force (JDF) for over thirty (30) years and was previously seconded from the JDF to the post of Commissioner of Corrections, Department of Correctional Services during the period 22 March 2010 to 30 June 2013.

He successfully completed an Officer's Selection Board and joined the JDF in June 1983. He underwent basic military training and was commissioned in the rank of Second Lieutenant in 1984. He was promoted to Lieutenant in 1986, Captain in 1990, Major in 1998 and Lieutenant Colonel in 2005.

Lieutenant Colonel (Retired) Prendergast has held a number of major military appointments, including Infantry Company Commander, Battalion Intelligence Officer, HQ JDF Assistant Staff Officer (Personnel), acted as the Training Major for the Third Battalion the Jamaica Regiment (National Reserve) and Commanding Officer of an Infantry Battalion. He was also appointed Standards Officer for the Caribbean Junior Command and Staff Course in 2002 and again in 2003.

Qualifications

- Master of Arts Degree in International Studies, King's College London, UK
- Master of Science Degree in National Security and Strategic Studies, The University of the West Indies
- Diploma in Human Resource Management, Institute of Management and Production, Jamaica
- Diploma in Counter-Terrorism Studies, National Defence University, Washington DC, USA
- Certificate, General Management Studies, Management Institute for National Development, Jamaica

Military Training

- Royal College of Defence Studies Course in London, UK
- Regional Defence Counter-Terrorism Fellows Program, National Defence University, Fort McNair, Washington DC, USA
- US Army Command and General Staff Course, Fort Leavenworth, Kansas, USA
- Regimental Signals Officer Course and All Arms Tactics Course, School of Infantry, Warminster, UK
- Basic Officer Training, Indian Military Academy, Dehra Dun, Uttar Pradesh, India
- Basic Military Training, Jamaica Defence Force, Newcastle, St Andrew

Achievements

- Medal of Honour for Meritorious Service to the Jamaica Defence Force
- Distinguished Graduate Award, National Defence University, Washington, DC, USA


People
First.
Respectful.

JN FOUNDATION

INNOVATING, INSPIRING, IMPACTING.

JN FOUNDATION

Onyka Barrett Scott, MSc, BA
General Manager

Onyka Barrett Scott was appointed General Manager of the JN Foundation in April 2018.

She is a senior practitioner dedicated to eradicating poverty and reducing inequalities that exist in societies and has more than a decade of experience working with civil society. Her dedication to the upliftment of people has allowed her to implement projects and collaborate with multiple partners across the Caribbean, Latin America, Kenya and Ghana. She has had responsibility for project implementation at a variety of local, regional and international NGOs.

Mrs. Barrett Scott's key areas of focus in her career have included poverty reduction, national volunteerism, human rights advocacy, humanitarian aid and human resource development. She is particularly noted for her big picture thinking, results-oriented attitude and collaborative approach.

Having worked in both the private and NGO sector, she brings a unique perspective to the field of development.

From 2007 – 2011, she was appointed by Cabinet in Trinidad & Tobago to serve on the Inter-Ministerial Committee responsible for monitoring the Convention on the Rights of the Child and National Plan of Action for Children.

She holds the MSc, Development Studies (with Distinction) from SALISES, UWI, a Post Graduate Diploma in Humanitarian Assistance, CIHC - Fordham University (USA) and a BA (Hons), Human Resource Management, Anglia Ruskin University (UK).

WHO WE ARE

WE BELIEVE THAT BUSINESS CAN BE A FORCE FOR GOOD.

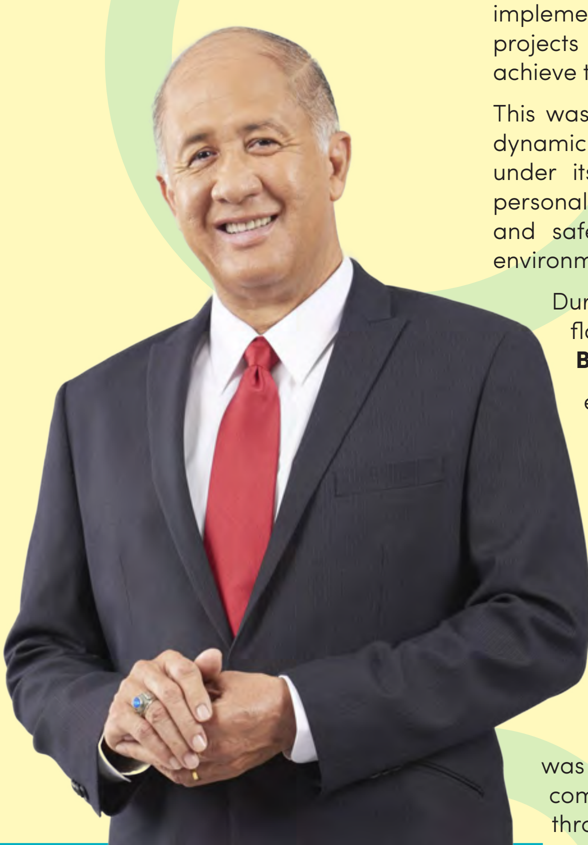
The JN Foundation uses its history, its expertise and its people to help make life better for every Jamaican. Operating on the ethos of the JN Group – using business as a force for good – we seek out the most innovative and sustainable solutions to the nation's greatest social needs/challenges.

Consequently when we partner with communities, or people to solve a problem, we hold true to the fact that we are part of the solution the country seeks. But most significantly, success for us is a model where we strengthen and empower community members so they can build and sustain their communities themselves.

At any given time the Foundation's team is collaborating with Jamaicans at home and abroad to solve problems in areas such as Road Safety, Financial Literacy, Educational Leadership, Social Enterprise, Volunteerism, and Water Adaptation.

And this accounts for but a part of the roster of highly successful initiatives that have positively impacted the lives of thousands of Jamaicans since the Foundation's inception in 1990.

Helping Jamaicans To Achieve Their Full Potential



EVERY JAMAICAN DESERVES TO REALISE THEIR FULL POTENTIAL

Throughout its 28 years of existence, the **JN Foundation**, the philanthropic arm of **The Jamaica National Grou**p, has assiduously implemented dynamic programmes and projects to "influence more Jamaicans to achieve their fullest potential."

This was achieved through the Foundation's dynamic range of programmes and projects under its five strategic themes: skills and personal development, education, health and safety, social empowerment and the environment.

During 2018, one of the JN Foundation's flagship projects, the **Social Enterprise Boost Initiative (SEBI)**, officially ended. SEBI's work, in concert with the United States Agency for International Development (USAID), was impactful and directly benefited approximately 65 social enterprises during the six-year period, 2012-2018.

Approximately 35 of the social enterprises, which participated in the project, collectively earned revenues of J$166 million and employed more than 200 people. This was indeed a stellar achievement and is commendable, in that, the JN Foundation, through this project, encouraged and strengthened entrepreneurship.

The members of the JN Foundation team are to be applauded for training thousands of Jamaicans in financial literacy. Since the inception of the BeWi$e Financial Empowerment team in 2014, they have trained approximately 20,500 persons in proper money management, and, some 8,806 of those trained were young people. In 2018 alone, 5,194 people benefitted from the Foundation's financial literacy training sessions.

Through its **Road Safety Programme**, students from the Hazard Primary School in Clarendon benefitted from the **"X Marks the Spot"** Programme, which involved the improvement of infrastructure in and around the school, to ensure that students could commute safety to and from school.

We are proud to report that under the programme, some 6,741 primary school students were trained in safe road use, and some 50 primary schools participated in the Police in Schools Project across the country.

The JN Foundation continues to assist young Jamaicans to achieve their high school education, through its **Annual Scholarship Programme**. In 2018, some 134 high achievers were awarded scholarships. Approximately 34 students were gifted Grade Six Achievement Test Scholarships: 14 were parish high performers; 18 were the children of JN members of staff; and two were specially awarded scholars. Eighty-four recipients were repeating **JN Scholars**, who achieved averages of 70% and over, on their high school report; and **16 university students** received a one-year tuition grant.

Under the national theme **"Ramp it up ... Fix it up"**, The Jamaica National Group, led by the JN Foundation, carried out six Labour Day projects across the country. The projects included: repainting schools, renovation repairs to hospitals and clinics; as well as, the painting and installation of ramps. More than 5,000 persons benefitted from those initiatives.

Under the **Water Project Jamaica**, the JN Foundation pursued a dynamic programme to sensitize and educate Jamaicans to practice diverse water-saving measures at home and to improve their conservation of water, with the installation of water-saving devices.

I commend the JN Foundation team, led by Mrs. Onyka Barrett Scott, General Manager, for ensuring that we pursue our vision, to "help Jamaicans to achieve their full potential." Mrs Barrett Scott's calm and tenacious attention to detail has guided our team members to implement their initiatives in a proactive manner, which in turn, have made major improvements for numerous Jamaicans whose lives our programmes and projects touched.

Well done Team JN Foundation!

Parris Lyew-Ayee, CD
Chairman

JN FOUNDATION

GENERAL MANAGER'S REPORT

JAMAICA IS AS UNIQUE AS THE COMMUNITIES THEMSELVES!

The year 2018 was a year of transitions and milestones for the JN Foundation. We bid farewell to our beloved Saffrey Brown, social innovator and astute leader, who has fearlessly championed the Foundation's mission during the past 10 years, and ushered in a new season; one in which I look forward to deepening a legacy of ensuring that Jamaicans, wherever they may be, are able to achieve their fullest potential.

By way of milestones, we successfully closed the Social Enterprise Boost Initiative (SEBI) project, drawing the curtain on six amazing years of partnership with the United States Agency for International Development (USAID), transforming Jamaica's social enterprise space through incubation, acceleration, awareness raising, policy engagement and positively impacting the lives of countless beneficiaries served by the various enterprises.

A UNIQUE & DIFFERENT JAMAICA BY COMMUNITY

We had the privilege to support more than 60 social enterprises, of which those participating directly in the incubator and accelerator generated in excess of $166 million in revenue, created more than 200 jobs and served in excess of 10,000 beneficiaries, including some of Jamaica's most marginalized groups, such as women, rural groups, young persons and the disabled.

We also ushered in the X Marks the Spot School Crosswalks Campaign, a three-year partnership with the United Nations Children's Fund (UNICEF), FIA Foundation and ABERTS Foundation to increase the safety of our children to and from school. Truly, we believe that every child deserves to exist in a society where our care and love for them is also reflected in how safe we make the public spaces for them.

One thing we've learned is that if we wish to go fast, go alone, but if we wish to go far, go together. Our thanks to the various member companies of the JN Group that continues to support the work of the JN Foundation and partner with us for the execution of various projects during the year. You truly exemplify how to use your Businesses as a Force for Good.

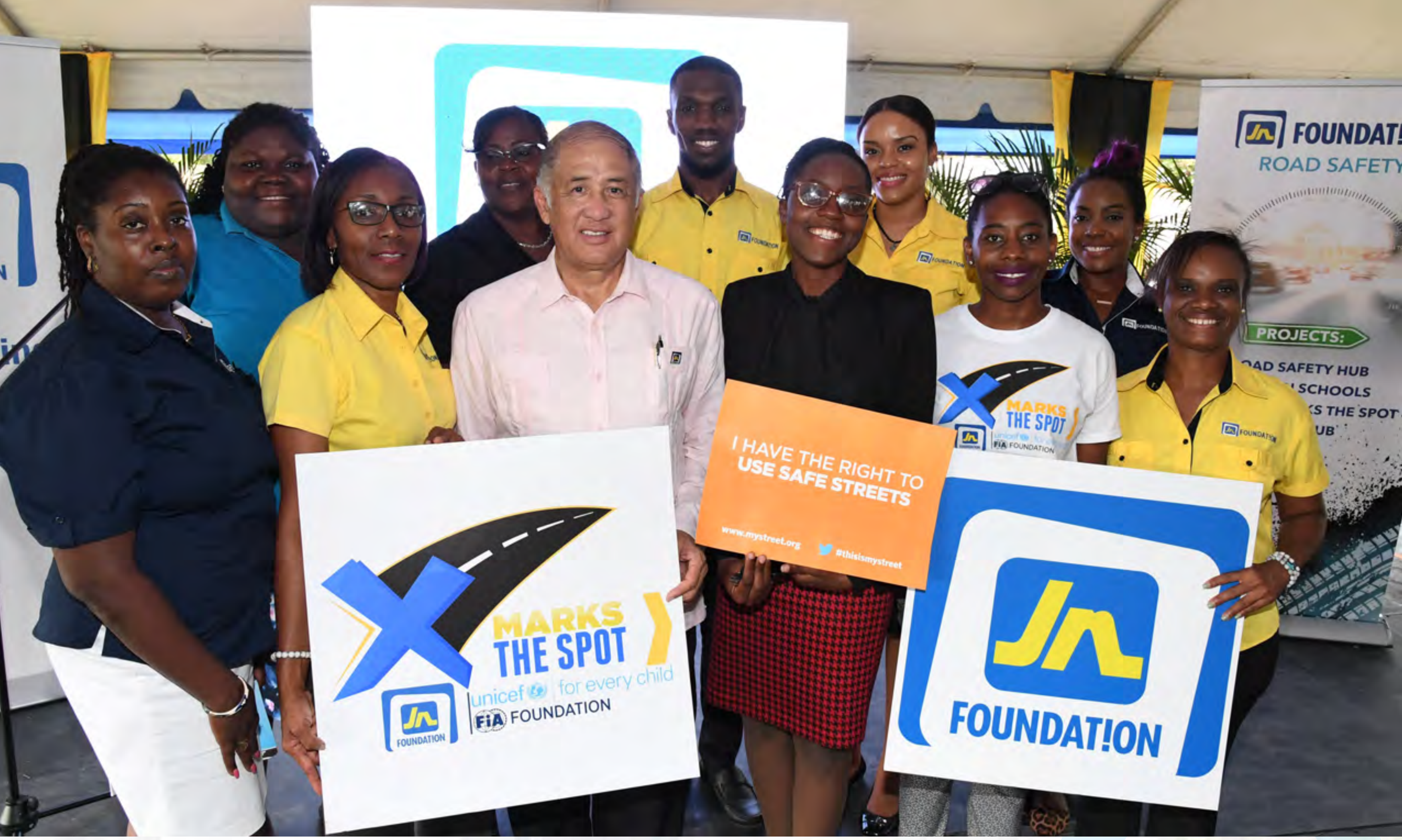
Our thanks also go to the various partnering organisations that have made our work possible, enjoyable and impactful.

As we look forward to 2020, the JN Foundation remains committed to delivering on its core areas of programming and working in partnership as we seek to achieve our ultimate outcome – to build a skilled, educated and healthy workforce to support the sustainable growth and development of Jamaica.

Onyka Barrett

HELPING THE NATION ACHIEVE

Saniah Spencer (right), chief of marketing and product development at JN Bank, converses with *Yulit Gordon* (second right), Executive Director, Jamaica Cancer Society and *Carolind Graham*, Chairperson, Jamaica Reach to Recovery, during the launch of the JN Bank Power of Pink campaign on Monday, October 1 at the institution's chief offices in Half-Way-Tree.



SAFER SCHOOLS

X Marks the Spot Road Safety Crosswalk Campaign

The X Marks the Spot Road Safety campaign is a collaborative effort between the JN Foundation and the United Nations Children's Fund (UNICEF). FIA Foundation and ABERTIS Foundation are key global funders of the project.

The campaign is in line with the Convention on the Rights of the Child and the overall global goal of the Child Road Traffic Injuries Prevention Programme, to support the achievement of the Sustainable Development Goals, targets 3.6 and 11.2, on protecting children from death and injury on the roads and providing a safe journey to school for every child.

The Campaign aims to achieve three main objectives, namely:

- Develop an in-depth Child Road Safety Assessment Report on new and existing data capacities on child road injuries in Jamaica.
- Encourage advocacy of and discussions on road safety discussions in schools and households, beyond National Road Safety Week and Jamaica's signing of the UN's road Safety Conventions.
- Utilise the results of the Child Road Safety Assessment Report to identify areas for the infrastructural interventions such as the installation of crosswalks, signs, speed reduction surfaces and other counter measures.

Hazard Primary School

Hazard Primary School in Clarendon is the first of 18 schools in Jamaica to be upgraded under the X-Marks the Spot Crosswalk Road Campaign. The educational institution benefitted from the erection of signage for bus lay-bys, pedestrian gates, the widening and paving of the sidewalks. The infrastructure upgrade to the school was completed in November 2018.

Children at the Hazard Primary School in Clarendon hold up safety signs with road safety lessons that they intend to practise.

Mark Glover (left), senior full-stack web developer at iRAP, has the attention of students at Denham Town Primary School during a workshop to implement a programme to improve the zones around selected schools aimed at making them safer. Sharing in the moment is *Onyka Barrett Scott* (in background), then partnership and development manager at the JN Foundation.

Emprezz Golding is enthusiastic about the Child Road Safety Assessment Report

Onyka Barrett Scott presents a copy of the Child Road Safety Assessment Report to Lone Hvass, former deputy representative at UNICEF

INTERNAL PROGRAMMES

HELPING TO SAFEGUARD JAMAICAN SCHOOLS

EDUCATION IS A TEAM SPORT!

JN Foundation has over many years, boldly entered the arena to provide sustained support because of the shared belief that a solid education system is the game changer for Jamaica's development. Since 1983, JN has disbursed approximately 600 secondary scholarships for support in high school and 225 tertiary scholarships to persons in pursuit of higher education.

JN Foundation is committed to the development of emerging leaders and is guided by the definition of an 'educated person' as outlined in the Vision 2030 National Development Plan:

> **"well-rounded and qualified, empowered to learn for life, able to function as a creative and productive individual in all spheres of society and able to be competitive in a global context."**

Secondary Scholarships are available to students who are JN School Savers, as well as children of JN employees, who have demonstrated academic achievement in the Grade Six Achievement Tests (GSAT), now Primary Exit Profile (PEP) and matriculated to High School. These awards are renewable annually. The Ministry of Education identifies the recipients of the parish and county GSAT scholarships based on the students' performance. Each year, scholarships are selected and awarded as follows:

- 14 parish scholars
- three scholars (one per county), who are participants in the JN School Savers programme
- 10 (at least) to children of JN Group employees

Tertiary Scholarships - five one-year scholarships each are awarded to students at The University of the West Indies, the University of Technology, and Northern Caribbean University.

BECAUSE OF MY JN SCHOLARSHIP...

Securing the Nation's Future

The JN Foundation's vision is that "Jamaicans, wherever they may be, are able to achieve their fullest potential". Guided by this unwavering commitment, the JN Foundation continues to invest in the future of our nation- our children. We believe that education is the universal key that unlocks the doors to great opportunities. With this in mind, hundreds of students were awarded scholarships from the secondary to tertiary levels

I am able to complete three courses without worrying about delayed payments. It was even possible for me to use the balance of funds toward a fourth course, and I must say I am truly elated and grateful. Thanks a lot to the JN Foundation.

Alicia Pinnock, NCU

I was able to finish my last year at the Northern Caribbean University. The fact that I was able to focus mainly on my studies and make the most of my education, JN Foundation has really lifted the burden that comes with being a full-time student and working part-time. I am the first person in my family to be given the opportunity to graduate from a university, and as such just making it to that day and being able to afford and accomplish such a huge goal it was just the best feeling ever.

Rishea Matthews, NCU

I am able to aspire and inspire others. I am able to become the role model I have always wanted to become by inspiring my little sisters and everyone else around me that having a dream and aiming for it is attainable with hard work and dedication. I am able to focus on doing my absolute best, always giving 100% and beyond, in whatever challenge or opportunity that comes my way, all while helping those along the way to become the best version of themselves.

Imani James, UWI

I was able to continue my studies at The University of the West Indies with less financial burden. Hence, this scholarship has tremendously helped me to move one step closer to my goal of becoming a biochemist. Many may take this lightly, but not everyone is given this opportunity. I am extremely elated to be among the few who had received this scholarship. Furthermore, it has given me great confidence to work very hard in the next academic school year. I would like to thank Jamaica National for this selfless contribution which will result in me being an asset to society.

Daniela Panton, UWI

I am able to achieve my fullest potential. The scholarship has motivated me to put my best foot forward academically; successfully completing my undergraduate studies with a Bachelor of Arts in Architectural Studies from the Caribbean School of Architecture at the University of Technology, Jamaica. I have also become a beacon of light for those around me, motivating them towards their fullest potential as well. Because of my JN Scholarship, I am one step closer to achieving my personal milestones and becoming the best possible me.

Brandon Mighty, UTech

I am able to complete my third year at university. I am forever grateful to JN for giving me this scholarship as it made my third year less stressful. I was able to focus on my studies and did not have to worry about paying off my tuition. Thank you so much JN!

Drisan Aitken, UTech

JAMAICANS, WHEREVER THEY MAY BE, ARE ABLE TO ACHIEVE THEIR FULLEST POTENTIAL.

It is paving the way for my success in completing a Bachelor's Degree in Urban and Regional Planning. The knowledge and skills gained will significantly contribute to the development of the nation by achieving the goals stated in the National Development Plan Vision 2030 with the main objective to make "Jamaica, the place of choice to live, work, raise families and do business".

The JN scholarship also allowed for self-recognition as it highlighted my potential and accomplishments which has fostered personal growth.

Jadisha Phipps, UTech

HELPING JAMAICAN COMMUNITIES

Our work takes us to the most diverse and wonderful places in Jamaica. But no matter the characteristics of the community, our aim is still the same – empower the people so they can defend their causes and build and sustain their communities in a way that works for them. The year 2018 featured a series of activities that served to strengthen our position in this regard.

Our Parish Histories project brought new discoveries and reminders of times past when we shone the spotlight on the parishes of Portland and St. Mary. Bunkers Hill in Trelawny continued to be a showpiece of cultural preservation through community stewardship. The fact that it was one of our SEBI participants makes it all the more special. We continue to be very proud of our work to help create better communities across Jamaica. Here we share some highlights and memories of the past year.

A

B

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A. St. Mary Parish Church
B. Ruins of Agualta Vale, St. Mary
C. Inside of Brimmer Hall Great House
D. White Hall Great House, St. Mary
E. Inside White Hall Great House
F. Late 18th century relics of British origin on display at Rio Nuevo, St. Mary
G. Galina Lighthouse

EMPOWERING SOCIAL BUSINESSES TO SUSTAIN THEMSELVES

In 2018, the Social Enterprise Boost Initiative (SEBI) empowered and nurtured several social enterprises.

Through its various networking sessions and peer-to-peer collaborations, social enterprises that participated in SEBI were exposed to "tried and tested" road maps to success by established social enterprises. Many were assisted to upscale their business model through SEBI's accelerator programme.

Representatives of NexxStepp Lifelong Educational Services, a SEBI enterprise, pose for the camera at a launch and mingle on October 18, 2018 at Golden Shore Resort, Lyssons, St. Thomas.

Social Enterprise Boost Initiative (SEBI) recipients take a group photo with *Opal Whyte* (fourth left), then project manager, SEBI and *Saffrey Brown* (second right), former general manager of the JN Foundation at the close-out ceremony of SEBI in December 2018.

Nora Blake of the Jamaica Social Stock Exchange poses with her award, which was presented at the SEBI close-out ceremony

Randy McLaren, co-founder & managing director of Bresheh, displays his bags

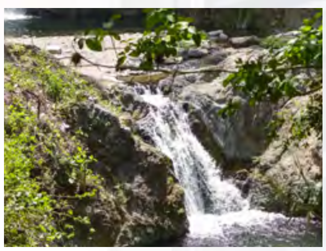
Members of the Ashe team show off Bresheh bags at the launch of their new collection in September 2018

Parris Lyew-Ayee (left), chairman of the JN Foundation, presents Kristofferson Nunes of UCA Marketing with a certificate of participation at the SEBI close-out ceremony.

PROTECTING OUR ENVIRONMENT

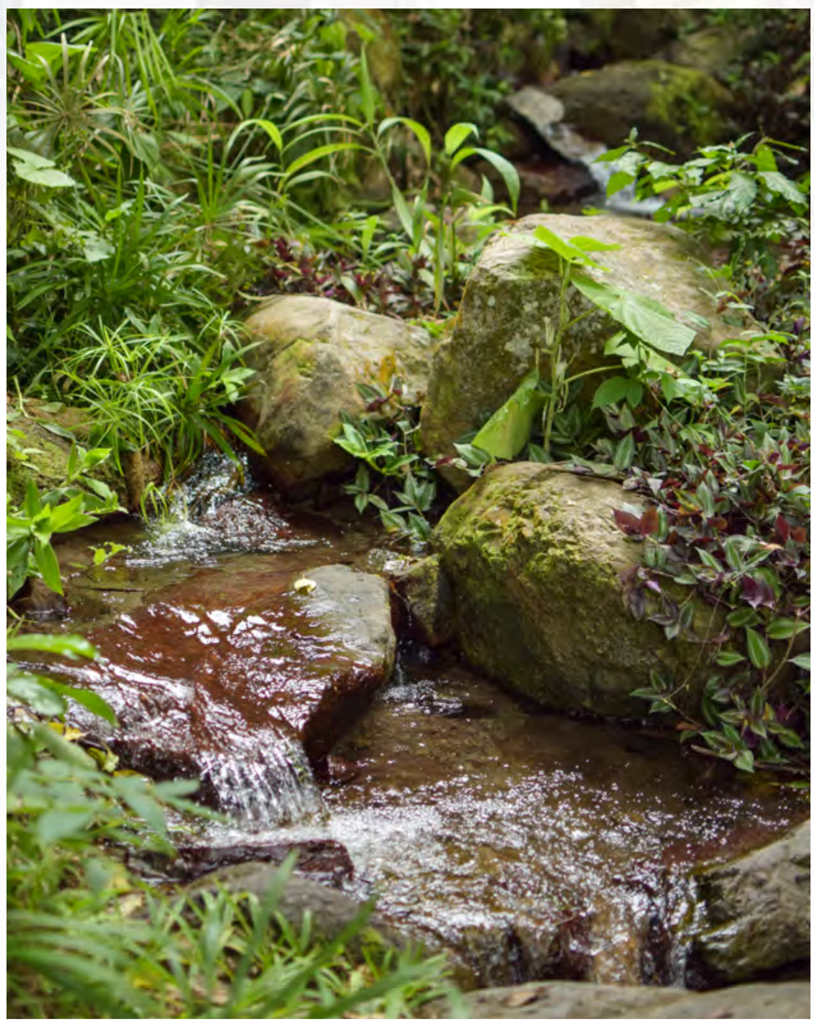
The Water Adaptation Project was developed to address the water crisis that Jamaica experiences during droughts. Parishes such as Kingston and St. Andrew undergo tight restrictions where their access to water is scheduled and residents experience water lock-offs. To address this issue, the project will provide financing to homeowners and housing developers to install fixtures that harvest rainwater and to conserve water to ensure efficient usage.

To help bolster the efforts of the Water Project, the team formed alliances with organisations that are also contributing to Jamaica's water conservation and climate resilience efforts. Some members of the alliance include the National Water Commission and Instant Save Conservation Solutions. The National Water Commission will help in the research process so that we can track the project's impact.



Instant Save Conservation Solutions' demonstration booth can be found at almost every Water Project event. Attendees are given the opportunity to visit their booth and learn about simple and effective plumbing fixtures they can install in their homes and offices to help conserve the nation's water.

This year, the Water Project published its Homeowner's Guide to Water Use Efficiency pamphlet which can be viewed on the project's website, **www.waterprojectja.com**. Climate change is imminent and the responsibility is ours to ensure that our future generations have access to clean running water. It is our duty to our country to help to remain The Land of Wood and Water.



PARISH HISTORIES OF JAMAICA

Jamaica has a rich cultural heritage and history which unites people from faraway lands and whose customs collectively form the cultural heritage of the Jamaican people. The History and Archaeology Department at The University of the West Indies, Mona and the JN Foundation established a partnership to preserve the history of Jamaica and make historical content easily accessible to all people so that for centuries to come, nationalists will know why they should be Jamaica Proud.

To date, the Parish Histories of Jamaica has published the histories of Portland, St. Mary, St. Thomas and Trelawny on its website, historyjamaica.org. Histories are written for an easy read and are accompanied by captivating photographs of historical sites. With just a little imagination and access to the internet, readers are able to go on a historical adventure and learn how some historical sites got their name, what certain locations are famous for, what their ancestors did to pass time, among other interesting facts.

Parish Histories captures Jamaica in its most authentic form, engaging the Jamaican people in interesting conversations about their parish history. Some of the most captivating conversations are those held with our senior citizens who reminisce about a much different Jamaica than the one we know today. These are the stories that our youth need to know so that they can appreciate how much the country has grown since its independence.

De Montevin Lodge Hotel

A people without the knowledge of their history, origin and culture is like a tree without roots.

Marcus Mosiah Garvey

Railway Station House, St Margaret's Bay, Portland

Bump Grave, final resting place of Nanny of the Maroons

www.historyjamaica.org

PARISH HISTORIES OF JAMAICA

Reach Falls, Portland

The Museum in Moore Town

Remains of the Old Fort at Titchfield High School

Christ Church, Port Antonio, Portland

www.historyjamaica.org

Trident Castle

Rio Grande River

St. George's Anglican Church

The new court house, Port Antonio

MEMBERS' CORNER

Our members are relentless in living our core values. They are especially enthusiastic about active citizenship and seeking out ways and means to address the causes that confront their communities daily. The annual Labour Day activities are a 'don't-miss' calendar event, which last year resulted in major projects in the three counties across the island. As a special treat to our members and to raise awareness and enlist support among them we surprised them in bank locations at Christmas. The photos below tell tales of giving and receiving in true JN Foundation style.

Nelson Quarry, a JN member, shows his appreciation for his gift, which he received while participating in the JN Foundation Christmas initiative at JN Bank Half-Way-Tree in December 2018

A JN member shares a laugh with Chevanese Peters, programmes coordinator, JN Foundation, during the Christmas initiative

Two students show off their Christmas gifts

Zola Hinds (left), Corporate Social Responsibility Officer at JN Foundation, presents water conservation tips to a JN member at the JN Bank Duke Street branch.

The Total Credit Services (TCS) team, presented boxes of toys to the Bustamante Hospital for Children to cheer up children on the wards during the Christmas season. Presenting the gifts were: *Nastassia Anderson* (left), administrative assistant at TCS; *Rashida Porteous-Sawyers* (third left), assistant manager, TCS; *Rashorn Ricketts,* manager, TCS and *Sherika Webb* (right), collector, TCS. Accepting the gifts were *Gaye-Satchell Lennon* (second left), operations officer and *Jasmine Simmonds Henry* (third right), acting patient affairs manager of the Bustamante Hospital for Children. Children on the ward participated in the handover.

Our members are relentless in living our core values. They are especially enthusiastic about active citizenship

GRANTS

Message from Rose Miller, Grants Manager

The JN Foundation, in honouring its commitment to national development and nation building, continues to partner with community based organisations (CBO), non-governmental organisations (NGO) and other established organisations by providing grant funding to implement programmes and initiatives in line with our core areas of focus - social empowerment, education, economic empowerment, health and safety and the environment. Through these partnerships, we have been able to stay true to our mantra and do our part to ensure that Jamaicans, wherever they may be, are achieving their highest potential. This support has connected us with great initiatives aimed at increasing and strengthening capacity; inspiring hope and sustaining the dreams of many Jamaicans.

We believe we are part of the solution, and we are conscious that for a nation to succeed, each generation must work with and take care of not only their generation, but the previous and the next generation.

JN Foundation salutes the many hard-working individuals who are constantly creating and implementing initiatives to enhance the lives of our Jamaican people, especially those considered at risk and underserved. Our greatest reward is to see lives transformed, and we pledge to continue support for institutions and projects, which are making a difference in the lives of Jamaicans in communities across our beautiful island.

JAMAICA ASSOCIATION FOR THE DEAF

School is challenging enough for most, but imagine how much more challenging it must be for the deaf or hard of hearing students. To help address this challenge, the JAD hosted capacity building workshops for Deaf Culture Facilitators to ensure they are empowered to effect the role model (language/cultural) and instructional support roles within the educational institutions. JN Foundation part-funded this workshop, which was attended by 48 practitioners who interact with hundreds of deaf or hard of hearing students.

MONA SOCIAL SERVICES

Residents from the University Township communities continue to benefit from the programmes done by the Mona Social Services. One such initiative is the Social Work Capacity Building Workshops, which were held to equip 25 residents with the requisite skills needed to respond to social issues affecting the people in the communities they serve.

JN Foundation sponsored 20 of the residents who hail from the Greater August Town Community Development Committee (CDC), Stand Pipe CDC, Mona Commons Steering Committee and the Air Pipe and Chambers Lane Community. Trainees were rewarded Certificates of Achievement in Introduction to Social Work after completing the six-week programme and completing 40 hours of practicum.

VIOLENCE PREVENTION ALLIANCE

Violence Prevention Alliance received funding from the JN Foundation for their Peace Day initiative, Trees for Peace. This project was done in collaboration with the Ministry of Education and PALS (Peace and Love in Schools Programme) to create gardens as safe spaces within schools where children can go to receive counselling and reflect on peaceful resolution of conflicts and misunderstandings.

MUSTARD SEED

David Silvera, (second right) business development officer, Mustard Seed Community, gives the Jamaican Diaspora team a tour of the fish farm at Jerusalem Children's Village in Spanish Town, St. Catherine. Participating in the tour were *Onyka Barrett Scott* (right), general manager of the JN Foundation and *Rose Miller* (fourth right), grants manager at the JN Foundation.

COUNCIL OF VOLUNTARY SOCIAL SERVICES (CVSS)

The CVSS has benefitted significantly from their participation in the SEBI programme. To help them realize their full potential, the CVSS has dedicated more of their resources into making their social enterprise more effective, sustainable and profitable. Through support for equipment and materials, JN Foundation helped get the NVC one step closer to its goal. Volunteers benefited from the following training sessions: social enterprise, conversations for greatness, asset maintenance and fund management, networking and advocacy. Close to 1,600 volunteers who attended these sessions can now go out, impact lives and inspire change.

PARTNERING FOR A LASTING CHANGE

We hold partnership as a very critical pillar for our approach to problem solving. As such, we collaborate with sector leaders as well as global development organisations that share our values and vision for a brighter, better Jamaica. Some of our most notable partnerships include our Water Project, Road Safety, Parish Histories and Volunteerism with partners such as: The University of the West Indies, National Road Safety Council, Inter-American Development Bank, USAID, FederationInternationale de l 'Automobile, Jamaica Constabulary Force and the Council of Voluntary Social Services.

Citizens, Security and Justice Programme
Council of Voluntary and Social Services
CUSO International
Federation Internationale de l'Automobile
Jamaica Constabulary Force
Junior Achievement Jamaica
Ministry of Education
Mona Social Services, UWI
National Road Safety Council
Office of Social Entrepreneurship, UWI
Road Safety Unit
Social Development Commission
The Gleaner
U.S. Agency for International Development
Universal Service fund
University of Birmingham


People First.
Transparent.

Auditors’ Report & Financial Statements

KPMG
Chartered Accountants
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INDEPENDENT AUDITORS' REPORT

To the Members of
THE JAMAICA NATIONAL GROUP LIMITED
(A company limited by guarantee with share capital)

Report on the Audit of the Financial Statements

Opinion

We have audited the separate financial statements of The Jamaica National Group Limited ("the Company") and the consolidated financial statements of the Company and its subsidiaries ("the Group"), set out on pages 134 to 265 which comprise the statements of financial position as at March 31, 2019, the statements of revenue and expenses, other comprehensive income, changes in 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 March 31, 2019, 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.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
THE JAMAICA NATIONAL GROUP LIMITED
(A company limited by guarantee with share capital)

Report on the Audit of the Financial Statements (continued)

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 Company'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. 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.

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.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
THE JAMAICA NATIONAL GROUP LIMITED
(A company limited by guarantee with share capital)

Report on the Audit of the Financial Statements (continued)

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

- 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 Company'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.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
THE JAMAICA NATIONAL GROUP LIMITED
(A company limited by guarantee with share capital)

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.

KPMG

Chartered Accountants
Kingston, Jamaica

November 7, 2019

THE JAMAICA NATIONAL GROUP LIMITED
(A company limited by guarantee with share capital)

Statements of Financial Position
March 31, 2019

	Notes	Group 2019 $'000	Group 2018 $'000	Company 2019 $'000	Company 2018 $'000
ASSETS					
Cash and cash equivalents	6	24,130,156	27,865,231	25,192	194,387
Securities purchased under resale agreements	7	5,262,356	5,370,494	-	-
Investments	8	71,764,725	74,372,906	-	-
Due from related entities	9(a)	-	-	215,074	208,999
Taxation recoverable		1,246,253	1,081,795	1,369	1,240
Interest in subsidiaries	10	-	-	5,264,030	5,264,030
Interest in associates	11	609,517	668,508	-	-
Loans	12	97,507,080	87,519,411	137,154	600,000
Other assets	13	3,985,484	3,201,362	52,190	27,510
Assets held for sale	14	404,560	428,919	-	-
Investment property	15	385,696	390,050	-	-
Property, plant and equipment	16	5,522,229	5,182,280	365,807	70,254
Goodwill and intangible assets	17	1,371,547	1,404,771	263	489
Deferred tax assets	18	1,531,997	776,744	589,043	394,043
Total assets		213,721,600	208,262,471	6,650,122	6,760,952
LIABILITIES					
Bank overdraft	6(d)	7,311	9,197	-	-
Due to specialised financial institutions		18,730,994	17,584,035	-	-
Customer deposits	19	129,492,554	118,070,760	-	-
Due to related entities	9(b)	175,159	184,392	175,159	184,392
Securities sold under repurchase agreements	20	17,240,387	24,270,666	-	-
Other payables	21	4,945,740	4,528,776	156,032	168,326
Margin loan payable	22	898,159	2,506,396	-	-
Taxation payable		517,848	249,281	-	-
Deferred tax liabilities	18	20,185	22,820	-	-
Employee benefits obligation	23(a)	1,726,899	1,473,996	-	-
Insurance contract provisions	24	4,123,006	4,533,652	-	-
Long-term loans	25	1,647,961	1,083,582	-	-
Total liabilities		179,526,203	174,517,553	331,191	352,718
EQUITY					
Reserve fund	26	7,600,000	7,600,000	-	-
Contractual savings reserve	27	14,223	14,223	-	-
Other reserves	28	6,131,889	5,562,826	175,212	180,541
Retained earnings		20,371,248	20,442,845	6,143,719	6,227,693
Total equity attributable to equity holders of the Company		34,117,360	33,619,894	6,318,931	6,408,234
Non-controlling interest	30	78,037	125,024	-	-
Total equity		34,195,397	33,744,918	6,318,931	6,408,234
Total liabilities and equity		213,721,600	208,262,471	6,650,122	6,760,952

The financial statements on pages 134 to 265 were approved for issue by the Board of Directors on November 7, 2019 and signed on its behalf by:

Director — Oliver F. Clarke

Director — Dhiru Tanna

Director — Earl Jarrett

To be read in conjunction with the accompanying notes to the financial statements.

Statements of Revenue and Expenses
Year ended March 31, 2019

	Notes	Group 2019 $'000	Group 2018 $'000	Company 2019 $'000	Company 2018 $'000
Interest revenue calculated using the effective interest method:					
Interest on loans		9,474,598	8,433,603	35,846	11,458
Interest on investments		3,323,704	4,377,404	551	-
		12,798,302	12,811,007	36,397	11,458
Interest expense	31	(2,630,392)	(2,796,738)	-	-
Net interest revenue		10,167,910	10,014,269	36,397	11,458
Impairment losses on financial instruments	38(b)(v)	(357,443)	-	-	-
Unrealised loss on fair value through profit or loss (FVTPL) investment securities		(78,985)	-	-	-
Fees and commission and other operating income	32	8,217,910	6,366,745	1,689,716	2,372,938
Operating expenses	33	(17,270,763)	(16,079,433)	(2,015,453)	(1,940,144)
Operating surplus/(deficit)		678,629	301,581	(289,340)	444,252
Gain on disposal of investments		675,946	1,258,580	-	-
Share of profit of associates	11	34,609	88,971	-	-
Unrealised foreign exchange (loss)/gain		(117,303)	(23,761)	10,366	2,077
Surplus/(deficit) before taxation		1,271,881	1,625,371	(278,974)	446,329
Taxation	34	(458,688)	(647,672)	195,000	394,043
Surplus/(deficit) for the year		813,193	977,699	(83,974)	840,372
Attributable to:					
Equity holders of the Company		858,871	966,279	(83,974)	840,372
Non-controlling interest		(45,678)	11,420	-	-
		813,193	977,699	(83,974)	840,372

To be read in conjunction with the accompanying notes to the financial statements.

Statements of Other Comprehensive Income
Year ended March 31, 2019

	Notes	Group 2019 $'000	Group 2018 $'000	Company 2019 $'000	Company 2018 $'000
Surplus/(deficit) for the year		813,193	977,699	(83,974)	840,372
Other comprehensive income:					
Items that are or may be reclassified to profit or loss:					
Translation of foreign subsidiaries' balances		(154,516)	(98,352)	-	-
Increase in fair value of Fair Value through Other Comprehensive Income (FVOCI) (2018: available-for-sale) investment securities, net of impairment losses		904,360	729,549	-	-
Realised gains on investments recognised in the statement of revenue and expenses		(780,267)	(932,284)	-	-
Deferred tax on FVOCI (2018: available-for-sale) investment securities and Expected Credit Loss (ECL)	18	(2,845)	119,492	-	-
		(33,268)	(181,595)	-	-
Items that will never be reclassified to profit or loss:					
Remeasurement of employee benefits obligation	23(d)	(68,531)	(123,178)	-	-
Deferred tax on employee benefits obligation	18	22,844	41,059	-	-
		(45,687)	(82,119)	-	-
Total other comprehensive (loss)/income for the year		(78,955)	(263,714)	-	-
Total comprehensive income/(loss) for the year		734,238	713,985	(83,974)	840,372
Attributable to:					
Equity holders of the Company		780,114	701,951	(83,974)	840,372
Non-controlling interest		(45,876)	12,034	-	-
		734,238	713,985	(83,974)	840,372

To be read in conjunction with the accompanying notes to the financial statements.

THE JAMAICA NATIONAL GROUP LIMITED
(A company limited by guarantee with share capital)

Group Statement of Changes in Equity
Year ended March 31, 2019

	Reserve fund $'000 (note 26)	Contractual savings reserve $'000 (note 27)	Other reserves $'000 (note 28)	Retained earnings $'000	Total $'000	Non - controlling interest $'000	Total equity $'000
Balances at March 31, 2017	7,600,000	14,223	5,610,761	19,678,855	32,903,839	149,311	33,053,150
Total comprehensive income for the year:							
Surplus for the year	-	-	-	966,279	966,279	11,420	977,699
Other comprehensive income							
Translation of foreign subsidiaries' balances	-	-	(97,783)	-	(97,783)	(569)	(98,352)
Increase in fair value of available-for-sale investments, net of deferred tax	-	-	847,750	-	847,750	1,291	849,041
Realised gains on investments recognised in the statement of revenue and expenses	-	-	(932,284)	-	(932,284)	-	(932,284)
Remeasurement of employee benefits obligation, net of deferred tax	-	-	-	(82,011)	(82,011)	(108)	(82,119)
Total other comprehensive (loss)/income	-	-	(182,317)	(82,011)	(264,328)	614	(263,714)
Total comprehensive income	-	-	(182,317)	884,268	701,951	12,034	713,985
Transactions with owners							
Dividends paid [note 30(b)]	-	-	-	-	-	(6,076)	(6,076)
Movement on reserves on recognition of reduced liability to non-controlling interest	-	-	-	15,300	15,300	(30,025)	(14,725)
Claims on dormant accounts by customers	-	-	(1,416)	-	(1,416)	-	(1,416)
	-	-	(1,416)	15,300	13,884	(36,101)	(22,217)
Movement between reserves:							
Transfer to credit loss reserve	-	-	135,798	(135,578)	220	(220)	-
Balances at March 31, 2018	7,600,000	14,223	5,562,826	20,442,845	33,619,894	125,024	33,744,918
Total comprehensive income for the year							
Changes on initial application of IFRS 9 [see note 44(d)]	-	-	(248,918)	(24,860)	(273,778)	(1,759)	(275,537)
Adjusted balances at April 1, 2018	7,600,000	14,223	5,313,908	20,417,985	33,346,116	123,265	33,469,381
Surplus for the year	-	-	-	858,871	858,871	(45,678)	813,193
Other comprehensive income:							
Translation of foreign subsidiaries' balances	-	-	(154,631)	-	(154,631)	115	(154,516)
Increase in fair value of Fair Value Through Other Comprehensive Income (FVOCI) (2018: available for sale) investments, net of deferred tax	-	-	901,994	-	901,994	(479)	901,515
Realised gains on investments recognised in the statement of revenue and expenses	-	-	(780,267)	-	(780,267)	-	(780,267)
Remeasurement of employee benefits obligation, net of deferred tax	-	-	-	(45,853)	(45,853)	166	(45,687)
Total other comprehensive income	-	-	(32,904)	(45,853)	(78,757)	(198)	(78,955)
Total comprehensive (loss)/income	-	-	(32,904)	813,018	780,114	(45,876)	734,238
Transactions with owners							
Dividends paid [note 30(b)]	-	-	-	-	-	(2,893)	(2,893)
Claims on dormant accounts by customers	-	-	(5,329)	-	(5,329)	-	(5,329)
	-	-	(5,329)	-	(5,329)	(2,893)	(8,222)
Movement between reserves:							
Transfer from credit loss reserve			(143,786)	140,245	(3,541)	3,541	-
Transfer to retained earnings reserve	-	-	1,000,000	(1,000,000)	-	-	-
	-	-	856,214	(859,755)	(3,541)	3,541	-
Balances at March 31, 2019	7,600,000	14,223	6,131,889	20,371,248	34,117,360	78,037	34,195,397

To be read in conjunction with the accompanying notes to the financial statements.

THE JAMAICA NATIONAL GROUP LIMITED
(A company limited by guarantee with share capital)

Company Statement of Changes in Equity
Year ended March 31, 2019

	Other reserves $'000 (note 28)	Retained earnings $'000	Total $'000
Balances at March 31, 2017	181,957	5,387,321	5,569,278
Total comprehensive income for the year			
Surplus for the year, being total comprehensive income	-	840,372	840,372
Transactions with owners recorded directly in equity			
Claims on dormant accounts by customers	(1,416)	-	(1,416)
Balances at March 31, 2018	180,541	6,227,693	6,408,234
Total comprehensive income for the period			
Deficit for the year, being total comprehensive loss	-	(83,974)	(83,974)
Transactions with owners recorded directly in equity			
Claims on dormant accounts by coustomers	(5,329)	-	(5,329)
Balances at March 31, 2019	175,212	6,143,719	6,318,931

To be read in conjunction with the accompanying notes to the financial statements.

Group Statement of Cash Flows
Year ended March 31, 2019

	Notes	2019 $'000	2018 $'000
Cash flows from operating activities			
Surplus for the year		813,193	977,699
Adjustments to reconcile surplus to net cash provided by operating activities:			
Depreciation - property, plant and equipment and investment property	15,16	644,098	622,902
Amortisation of intangible assets	17	254,096	187,496
Gains on disposal of property, plant and equipment and investment property		(13,280)	(8,714)
Gains on disposal of investments		(675,946)	(1,258,580)
Gains on disposal of assets held for sale		(17,079)	(58,727)
Gains from foreign exchange rate changes		(688,586)	(99,273)
Translation differences		(4,970)	29,029
Dividend income	32	(33,162)	(23,918)
Share of profits of associates	11	(34,609)	(88,971)
Impairment loss on interest in associates	11	93,600	-
Interest income		(12,798,302)	(12,811,007)
Interest expense	31	2,630,392	2,796,738
Current tax expense	34(a)(i)	1,114,267	871,622
Deferred taxation	18,34(a)(ii)	(655,579)	(223,950)
Net increase in provision for loan losses		95,900	139,621
Employee benefits obligation		184,373	176,489
Net increase on assets held for sale	14	40,955	48,834
Insurance contract provisions		(410,646)	(16,262)
		(9,461,285)	(8,738,972)
Changes in operating assets and liabilities:			
Securities purchased under resale agreements		102,576	5,121,051
Net additions to loans		(9,926,463)	(9,477,853)
Other assets		(819,368)	373,046
Due to specialised financial institutions		1,146,959	1,627,282
Due to related entities		(9,233)	2,435
Net receipts from customer deposits		12,593,417	3,256,709
Margin loan payable		(1,608,237)	2,506,396
Securities sold under repurchase agreements		(7,005,898)	(3,447,300)
Other payables		429,384	776,346
		(14,558,148)	(8,000,860)
Interest paid		(2,535,792)	(2,952,288)
Interest received		9,470,992	8,358,058
Income tax paid		(1,010,158)	(961,185)
Net cash used by operating activities (page 140)		(8,633,106)	(3,556,275)

To be read in conjunction with the accompanying notes to the financial statements.

THE JAMAICA NATIONAL GROUP LIMITED
(A company limited by guarantee with share capital)

Group Statement of Cash Flows (Continued)
Year ended March 31, 2019

	Notes	2019 $'000	2018 $'000
Net cash used by operating activities (page 139)		(8,633,106)	(3,556,275)
Cash flows from investing activities			
Investments		(11,848,554)	(24,366,341)
Interest received		3,405,510	4,573,366
Dividend received		33,162	23,918
Assets held for sale		(89,638)	(114,649)
Purchase and transfers of intangible assets	17	(217,889)	(248,625)
Purchase and tranfers of property, plant and equipment and investment property	15,16	(988,910)	(776,208)
Proceeds from sale of assets held for sale		90,121	232,963
Proceeds from disposal of property, plant and equipment		24,484	13,706
Proceeds from disposal of investments		14,349,107	25,904,091
Net cash provided by investing activities		4,757,393	5,242,221
Cash flows from financing activities			
Long-term loans		564,379	53,978
Dividend paid to non-controlling interest		(2,893)	(6,076)
Claims on dormant accounts		(5,329)	(1,416)
Bank overdraft		(1,886)	(3,449)
Net cash provided by financing activities		554,271	43,037
Net (decrease)/increase in cash and cash equivalents		(3,321,442)	1,728,983
Cash and cash equivalents at beginning of the year		27,865,231	25,589,665
Effects of exchange rate changes on cash and cash equivalents		(413,633)	546,583
Cash and cash equivalents at end of the year		24,130,156	27,865,231

To be read in conjunction with the accompanying notes to the financial statements.

THE JAMAICA NATIONAL GROUP LIMITED
(A company limited by guarantee with share capital)

Company Statement of Cash Flows
Year ended March 31, 2019

	Notes	2019 $'000	2018 $'000
Cash flows from operating activities			
(Deficit)/surplus for the year		(83,974)	840,372
Adjustments to reconcile (deficit)/surplus to net cash used by operating activities:			
Depreciation- property, plant and equiptment	16	38,591	8,166
Amortisation of intangible assets	17	226	188
Interest income		(36,397)	(11,458)
Dividend income	32	(545,000)	(2,121,927)
Taxation	18, 34(a)(ii)	(195,000)	(394,043)
		(821,554)	(1,678,702)
Operating assets and liabilities:			
Taxation recoverable		(129)	(1,108)
Short-term loan		467,493	(300,000)
Other assets		(24,680)	(27,510)
Due from related entities		(6,075)	(207,045)
Due to related entities		(9,233)	2,435
Other payables		(12,294)	152,971
		(406,472)	(2,058,959)
Interest received		31,750	11,536
Net cash used by operating activities		(374,722)	(2,047,423)
Cash flows from investing activities			
Dividend received from subsidiaries		545,000	2,121,927
Acqusition of intangible assets	17	-	(677)
Acqusition of property, plant and equipment	16	(334,144)	(78,420)
Net cash provided by investing activities		210,856	2,042,830
Cash flow from financing activity			
Claims on dormant accounts,being net cash used by financing activity		(5,329)	(1,416)
Net decrease in cash and cash equivalents		(169,195)	(6,009)
Cash and cash equivalents at the beginning of the year		194,387	200,396
Cash and cash equivalents at the end of the year		25,192	194,387

To be read in conjunction with the accompanying notes to the financial statements.

1. The Company

The Jamaica National Group Limited ("the Company") was incorporated on December 16, 2016, under the Jamaican Companies Act, as a public company limited by guarantee and having share capital. The number of shares which the Company is authorised to issue is unlimited and is comprised of two classes; namely, membership shares and preference or deferred shares.

The registered office of the Company is located at 2-4 Constant Spring Road, Kingston 10. Its principal activity is that of an investment holding company.

The Company is the ultimate holding company with two direct subsidiaries, MCS Group Limited and JN Financial Group Limited. Both entities were incorporated in Jamaica under the Jamaican Companies Act.

"Group" refers collectively to the Company and its subsidiaries together with its associates and are as follows:

Subsidiaries	Country of incorporation	Percentage ownership 2019	Percentage ownership 2018	Nature of business
JN Financial Group Limited:	Jamaica	100	100	Financial holding company.
JN Cayman	Cayman Islands	95.89	95.89	Mortgage lending on residential properties and other financial services.
JN Bank Limited [1]	Jamaica	100	100	Banking services.
JN Money Services Limited[1] and its subsidiaries:	Jamaica	100	100	Money transfer services including remittances, bill payments, mobile credit top up and sale of foreign currencies.
JN Money Services (UK) Limited	England	100	100	Money transfer services including remittances, bill payments and mobile credit top up.
JN Money Services (USA) Inc.	United States of America	100	100	Money transfer services including remittances, bill payments and mobile credit top up.
JN Money Services (Canada) Limited	Canada	100	100	Money transfer services including remittances, bill payments and mobile credit top up.
JN Money Services (Cayman) Ltd[1].	Cayman Islands	80	80	Money transfer services including remittances, bill payments and mobile credit top up.

1. The Company (continued)

Subsidiaries (continued)	Country of incorporation	Percentage ownership 2019	Percentage ownership 2018	Nature of business
JN Financial Group Limited (continued)				
JN Fund Managers Limited (JNFM)	Jamaica	100	100	Provision of investment services, pension management and administrative services, credit facilities and investment banking and stock brokerage services.
JN General Insurance Company Limited (JNGI)[2]	Jamaica	99.5	99.5	General insurance services.
JN Life Insurance Company Limited (JNLIC)	Jamaica	100	100	Life insurance services.
JN Small Business Loans Limited	Jamaica	100	100	Granting of loans to small and micro business for periods not exceeding 260 weeks.
MCS Group Limited	Jamaica	100	100	Holding company.
JN Properties Limited	Jamaica	100	100	Property development, maintenance and rental services.
The Jamaica Automobile Association (Services) Limited	Jamaica	100	100	Automobile road safety, fleet management and allied services.
Management Control Systems Limited	Jamaica	97.31	97.31	Sale of technology products, software and implementation services.
Total Credit Services Limited	Jamaica	100	100	Debt recovery services.
The Creative Unit Limited	Jamaica	100	100	Creative advertisement, event management and printing services.
Building Societies Development Limited (BSDL)[3]	Jamaica	70	70	Housing development services.
Associates and Joint Ventures				
Knutsford Holdings Limited	Jamaica	40	40	Owners of commercial buildings.
Jamaica Joint Venture Investment Company Limited	Jamaica	50	50	Owners of commercial buildings.
Transaction ePins Limited	Jamaica	19.5	19.5	Distribution of electronic prepaid air time.

1 The Bank holds the remaining 20% shareholding in JN Money Services (Cayman) Limited, making it a wholly-owned subsidiary of JN Financial Group Limited.

2 The Bank holds 0.3% interest in JN General Insurance Company Limited, through Middlesex Insurance Agencies Limited. These shares are in the process of being transferred to the JN Financial Group Limited.

3 The results of BSDL are not considered material to these financial statements and have not been consolidated.

1. The Company (continued)

Other related entities:

Jamaica National Building Society (JNBS) Foundation ("The Foundation") was incorporated under the laws of Jamaica on July 11, 1990 as a company limited by guarantee and not having a share capital, with the liability of each of the 10 members limited to $1. It is a charitable organisation which aims at assisting with grants or otherwise for the development of affordable housing throughout Jamaica and, in particular, rural Jamaica, as well as to develop and promote for the benefit of the public, study and research into housing and the management of savings. It is funded principally by contributions from the Group. The Foundation is an approved charitable organisation for purposes of Section 13(i)(q) of the Income Tax Act, and is exempt from income tax under Section 12(h) of that Act.

2. Licence and regulations

The Bank is licensed, and its financial statements are delivered under the Banking Services Act, 2014 and the Banking Services Regulations 2015, which became effective on September 30, 2015. JN Money Services Limited (JNMS) is licensed, under section 22 G (2) of the Bank of Jamaica Act. Details of licences and regulations for JNMS subsidiaries are included at notes 8(iv) and 38(f). JN Fund Managers Limited is designated as a primary dealer by the Bank of Jamaica and is licensed and authorised by the Financial Services Commission. JN General Insurance Company Limited and JN Life Insurance Company Limited are licensed by the Financial Services Commission and registered under the Insurance Act 2001. JN Cayman is licensed by Cayman Islands Monetary Authority.

3. Statement of compliance and basis of preparation

(a) Statement of compliance:

The financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and comply with the provision of the Jamaican Companies Act.

Details of the Group's accounting policies, including changes during the year, are included in notes 44 and 45.

This is the first set of the Group's annual financial statements in which IFRS 15 *Revenue from Contracts with Customers* and IFRS 9 *Financial Instruments* have been applied.

(b) Basis of preparation:

The financial statements are prepared on the historical cost basis, except for the following:

- financial instruments at fair value through profit or loss are measured at fair value;
- financial instruments at fair value through other comprehensive income; and
- the liability for defined-benefit obligations is recognised as the present value of the defined-benefit obligations.

3. Statement of compliance and basis of preparation (continued)

(c) Functional and presentation currency:

The financial statements are presented in Jamaica dollars, which is the functional currency of the Group, and are expressed in thousands of dollars unless otherwise stated.

(d) Use of estimates, assumptions and judgements:

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 4.

(e) Comparative information:

Wherever necessary, the comparative figures are reclassified to conform to the current year's presentation.

4. Accounting estimates and judgements

The preparation of the financial statements in conformity with IFRS requires management to make estimates, assumptions and judgements 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. Although these estimates are based on managements best knowledge of current events and actions, actual amounts could differ from these estimates.

The key sources of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on amounts recognised in the financial statements, or which have a risk of material adjustment in the next year, are as follows:

(a) Key sources of estimation uncertainty:

(i) Post-retirement benefits:

Applicable for 2019 and 2018

The amounts recognised in the statements of financial position and statements of revenue and expenses and other comprehensive income for certain post-retirement benefits are determined actuarially using several assumptions. The primary assumptions used in determining the amounts recognised include the discount rate used to determine the present value of estimated future cash flows required to settle the post-retirement obligations and the expected rate of increase in medical costs for post-retirement medical benefits.

4. Accounting estimates and judgements (continued)

(a) Key sources of estimation uncertainty (continued):

(i) Post-retirement benefits (continued):

Applicable for 2019 and 2018 (continued)

The discount rate is determined based on the estimate of yield on long-term government securities that have maturity dates approximating the terms of the Group's obligation. In the absence of such instruments in Jamaica, it has been necessary to estimate the rate by extrapolating from the longest-tenor security on the market. The estimate of expected rate of increase in medical costs is determined based on inflationary factors. Any changes in these assumptions will impact the amounts recorded in the financial statements for these obligations.

(ii) Allowance for impairment losses:

Applicable from April 1, 2018

Measurement of the expected credit loss (ECL) allowance

The measurement of the expected credit loss allowance for financial assets measured at amortised cost and FVOCI is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of customers defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation techniques used in measuring ECL is further detailed in note 45, which also sets out key sensitivities of the ECL to changes in these elements.

A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

- Determining criteria for significant increase in credit risk;
- Choosing appropriate models and assumptions for the measurement of ECL;
- Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated ECL; and
- Establishing groups of similar financial assets for the purposes of measuring ECL.

Detailed information about the judgements and estimates made by the Group in the above areas is set out in note 45.

Applicable before April 1, 2018

In determining amounts recorded for impairment of loans, receivables and investments in the financial statements, management makes judgements regarding indicators of impairment, that is, whether there are indicators that suggest there may be a measurable decrease in the estimated future cash flows from loans, for example, repayment default and adverse economic conditions. Management also makes estimates of the likely estimated future cash flows from impaired loans, as well as the timing of such cash flows. Historical loss experience is applied where indicators of impairment are not observable on individual significant loans, receivables, investments and loan portfolios with similar characteristics, such as credit risks.

4. Accounting estimates and judgements (continued)

(a) Key sources of estimation uncertainty (continued):

(iii) Valuation of financial instruments:

Applicable for 2019 and 2018

The Group's accounting policy on fair value measurements is discussed in accounting policy [note 45(d)].

When measuring the fair value of an asset or liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1 – Quoted market price (unadjusted) in an active market for identical assets or liabilities.
- Level 2 – Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.
- Level 3 – Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Valuation techniques include net present value and discounted cashflow models, comparison to similar instruments for which market observable prices exist and other valuation models. Assumptions and inputs used in valuation techniques include risk free and benchmark interest rates, credit spreads and other risk premia used in estimating discount rates.

Considerable judgment is required in interpreting market data to arrive at estimates of fair values for Levels 2 and 3. Consequently, the estimates arrived at may be significantly different from the actual price of the instrument in an arm's length transaction.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

(iv) Outstanding claims:

Applicable for 2019 and 2018

Outstanding claims comprise estimates of the amount of reported losses and loss expenses plus a provision for losses incurred but not reported based on historical experience. The loss and loss expense reserves have been determined by the indirect subsidiary companies' actuaries using their past loss experience and industry data.

4. Accounting estimates and judgements (continued)

(a) Key sources of estimation uncertainty (continued):

(iv) Outstanding claims (continued):

Applicable for 2019 and 2018 (continued)

Amounts recoverable in respect of claims from reinsurers are estimated in a manner consistent with the underlying liabilities.

Management believes, based on the analysis completed by the actuaries, that the provision for outstanding losses and loss expenses will be adequate to cover the ultimate net cost of losses incurred up to the reporting date. However, the provision is an estimate and may, ultimately, be settled for a significantly greater or lesser amount. Any subsequent differences arising are recorded in the period in which they are determined.

Note 40 gives information about the assumptions and uncertainties relating to insurance liabilities and discloses the risk factors in these contracts.

(v) Goodwill:

Applicable for 2019 and 2018

Goodwill is tested annually for impairment. Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating unit to which goodwill has been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value.

(vi) Residual value and expected useful lives of property, plant and equipment and investment property:

Applicable for 2019 and 2018

The residual value and the expected useful life of an asset are reviewed at least at each financial year-end and, if expectations differ from previous estimates, the change is accounted for. The useful life on an asset is defined in terms of the asset's expected utility to the Group.

(vii) Net realisable value of inventories:

Applicable for 2019 and 2018

Estimates of net realisable value are based on the most reliable evidence available at the time the estimates are made, of the amount the inventories are expected to realise. These estimates take into consideration fluctuations of price or cost directly relating to events occurring after the end of the period to the extent that such events confirm conditions existing at the end of the period.

Estimates of net realisable value also take into consideration the purpose for which the inventory is held.

4. Accounting estimates and judgements (continued)

(b) Critical accounting judgements in applying accounting policies:

(i) Classification of financial assets:

Applicable from April 1, 2018

The assessment of the business model within which the assets are held and assessment of whether the contractual terms of the financial asset are solely payments of principal and interest (SPPI) on the principal amount outstanding requires management to make certain judgements on its business operations.

Applicable before April 1, 2018

In classifying financial assets, management makes judgements about whether the criteria are met. For example, the determination of whether a security may be classified as 'loans and receivables' or whether a security's fair value may be classified as 'Level 1' in the fair value hierarchy [note 39(a)] requires judgement as to whether a market is active.

(ii) Impairment of investment in equity securities:

Applicable for 2019 and 2018

Investments in equity securities are evaluated for impairment on the basis described in accounting policy [note 45(a)(vi)].

For an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment. In this respect, the Group regards a decline in fair value in excess of 20 percent to be "significant" and a decline in a quoted market price that persists for nine months or longer to be "prolonged".

(iii) Deferred tax asset:

Applicable for 2019 and 2018

The recognition of a deferred tax asset requires management to make assumptions concerning future taxable profits against which deferred tax assets can be recovered.

It is reasonably probable, based on existing knowledge, that outcomes within the next financial year that are different from these assumptions could require a material adjustment to the carrying amount reflected in the financial statements.

5. Responsibilities of the appointed actuaries and external auditors

The actuaries have been appointed by management and the Board of Directors pursuant to the requirements of IAS 19 and the Insurance Act 2001. With respect to preparation of financial statements, the actuaries are required to carry out an actuarial valuation of management's estimate of the Group's health, group life and policyholders liabilities and report thereon to the members. The actuaries for the general and life insurance subsidiaries are required to carry out an actuarial valuation of management's estimate of the subsidiaries' liabilities and report thereon to the shareholders. Actuarially determined policy liabilities consist of the provisions for, less reinsurance recovery of, unpaid claims and adjustment expenses on insurance policies in force, including provisions for salvage and subrogation.

5. Responsibilities of the appointed actuaries and external auditors (continued)

The valuation is made in accordance with accepted actuarial practice, as well as any other matter specified in any directive made by regulatory authorities. The actuaries, in their verification of the management information provided by the Group and used in the valuation, also makes use of the work of the external auditors. The actuaries' reports outline the scope of their work and opinion. An actuarial valuation is prepared annually.

The external auditors have been appointed by the shareholders, pursuant to the Jamaican Companies Act, to conduct an independent and objective audit of the financial statements of the Company and Group in accordance with International Standards on Auditing, and report thereon to the members. In carrying out their audit, the auditors also make use of the work of the actuaries and their report on the Group's post-employment and other obligations and the subsidiary's actuarially determined policy liabilities. The auditors' report outlines the scope of their audit and their opinion.

6. Cash and cash equivalents

	Group		Company	
	2019	2018	2019	2018
	$'000	$'000	$'000	$'000
Cash reserves with Bank of Jamaica [see (a)]	13,976,952	14,875,474	-	-
Short-term bank deposits [see (b) (c)]	208,482	2,573,427	-	-
Cash and cash equivalents [see (b), (c), (d), (e)]	9,944,722	10,416,330	25,192	194,387
	24,130,156	27,865,231	25,192	194,387

(a) Statutory reserves, required by regulation to be held at Bank of Jamaica, comprise cash reserves not available for use by the banking indirect subsidiary and are determined by the percentage of average prescribed liabilities stipulated by Bank of Jamaica.

At March 31, 2019, the cash reserve requirement is nine percent (9%) (2018: 12%) for Jamaica dollars and fifteen percent (15%) (2018: 14%) for foreign currency of the average prescribed liabilities, respectively. Up to February 2019, the cash reserves rate in Jamaica dollars was 12% and this was reduced to 9% on March 1, 2019. At March 31, 2019, the Bank met the cash reserve requirements. On June 3, 2019, the cash reserves requirement was further reduced to 7% for Jamaica dollars of the average prescribed liabilities.

(b) Cash and cash equivalents include deposits held on behalf of clients of $29,256,000 (2018: $22,086,000) in the books of an indirect subsidiary. The corresponding liabilities are included in other payables (note 21).

6. Cash and cash equivalents (continued)

(c) Cash and cash equivalents held by the banking indirect subsidiary are restricted as follows:

(i) $360,900,000 (2018: $321,500,000) to facilitate settlement of Multilink transactions;

(ii) $2,945,000 (2018: $2,896,000) with a commercial bank to cover a third party guarantee;

(iii) $62,510,000 (2018: $62,960,000) for bid collateral; and

(iv) $3,548,667,000 (2018: $9,327,154,000) for repurchase agreements collateral.

(d) Unsecured and secured overdraft facilities amounting $145,000,000 (2018: $145,000,000) and $8,000,000 (2018: $8,000,000) respectively, are held by indirect subsidiaries with a commercial bank. The amount drawn from the secured facility is $7,311,000 (2018: $9,197,000) and $Nil (2018: $Nil).

(e) Cash and cash equivalents include cash collected on behalf of related entities amounting to $214,329,000 (2018: $218,173,000).

7. Securities purchased under resale agreements

	Group	
	2019	2018
	$'000	$'000
Principal	5,255,896	5,358,472
Interest receivable	6,460	12,022
	5,262,356	5,370,494

At March 31, 2019, securities obtained and held under resale agreements for the Group had a fair value of $5,897,036,000 (2018: $5,810,626,000). The balance is shown net of expected credit losses of $1,155,000 (2018: $Nil).

Securities purchased under resale agreements are due from the reporting date, excluding interest receivable, as follows:

	Group	
	2019	2018
	$'000	$'000
Within 3 months	5,082,319	4,932,565
3 months to 1 year	173,577	425,907
	5,255,896	5,358,472

8. Investments

	Group 2019 $'000	Group 2018 $'000
Amortised cost (2018: Loans and receivables)		
Treasury bills	153,447	136,164
Corporate bonds	1,351,138	877,247
Certificates of deposit	12,971,947	20,515,374
Promissory notes	367,201	30,000
	14,843,733	21,558,785
Fair Value Through Other Comprehensive Income (2018: Available-for-Sale)		
Corporate and soverign bonds	9,183,641	13,211,307
Government of Jamaica securities	37,260,149	35,688,711
Treasury bills	8,741,578	2,161,515
Mutual funds	-	230,618
Quoted equities	145,586	612,264
Unquoted equities [see (i) below]	29,353	29,353
	55,360,307	51,933,768
Fair Value Through Profit or Loss		
Quoted equities	515,126	-
Mutual funds	261,717	-
	776,843	-
	70,980,883	73,492,553
Interest receivable	806,071	882,315
	71,786,954	74,374,868
Less ECL (2018: Loss allowance)	(22,229)	(1,962)
	71,764,725	74,372,906

(i) Unquoted equities represent shares at $29,273,000 held by the banking indirect subsidiary in Automated Payments Limited, an automated clearing house operator. These shares are carried at cost.

(ii) Investments due from the reporting date, excluding interest receivable and expected credit losses are as follows:

	Group 2019 $'000	Group 2018 $'000
No specific maturity	951,782	872,235
Within 3 months	13,746,734	11,211,609
3 months to 1 year	7,617,816	11,664,689
1 year to 5 years	19,617,555	22,332,322
5 years and over	29,046,996	27,411,698
	70,980,883	73,492,553

8. Investments (continued)

(iii) Investments of the general and life insurance subsidiaries totalling $154,572,000 (2018: $143,847,000) are held to the order of the Financial Services Commission as required by the Insurance Act 2001.

(iv) The Group's USA-based indirect subsidiary, as a money transmitter, is licensed in the States of New York, Maryland, Connecticut, New Jersey, Georgia, Florida, District of Columbia, California and Massachusetts. The regulations require a total minimum net worth of US$2,010,000 (2018: US$1,470,000). In addition, the regulations require surety bonds in favour of and/or pledged funds to the Superintendent of Banking of US$2,310,000 (2018: US$3,017,000). As at March 31, 2019, the indirect subsidiary had US$1,992,000 (2018: US$2,041,000) pledged funds included in short term bank deposits to meet minimum requirements established by the States in which it operates.

(v) Restricted balances amounting to US$32,000 (2018: US$31,000) are held with Ghana Merchant Bank, in respect of the provision of remittances services on behalf of an indirect subsidiary.

(vi) An indirect subsidiary had securities pledged of £875,000 (2018: £880,000) as safeguard for undisbursed remittances.

(vii) Securities amounting to $1,265,829,000 (2018: $10,677,749,000) are held with a brokerage firm as collateral (see note 22).

9. Due from/to related entities

(a) This represents amounts due from indirect subsidiaries in the ordinary course of business. The amount is unsecured, interest free and due within three (3) months.

(b) This represents amounts due to the JN Foundation. This amount is unsecured, interest free and payable within three (3) months.

10. Interest in subsidiaries

	Company	
	2019	2018
	$'000	$'000
Shares, at cost or written down value (see note 1)	5,264,030	5,264,030

11. Interest in associates

	Group	
	2019	2018
	$'000	$'000
Shares, net (see note 1)	52,499	146,099
Group's share of reserves	543,365	508,756
	595,864	654,855
Debentures	13,653	13,653
	609,517	668,508

11. Interest in associates (continued)

The following table summarises the financial information of the associates, which are equity-accounted for, as included in their own financial statements, after fair value adjustments on acquisition and elimination of differences in accounting policies and intercompany transactions. The latest audited financial information for Jamaica Joint Venture Investment Company Limited is as at and for the year ended December 31, 2017 (2018: December 31, 2016) and that of Knutsford Holdings Limited is as at and for the year ended December 31, 2018 (2018: December 31, 2017). The table also reconciles the summarised financial information to the carrying amount of the Group's interest in these associates.

	Jamaica Joint Venture Investment Company Limited		Knutsford Holdings Limited		Total	
	2019	2018	2019	2018	2019	2018
	$'000	$'000	$'000	$'000	$'000	$'000
Percentage ownership interest	**50%**	**50%**	**40%**	**40%**		
Non-current assets (100%)	686,701	672,024	732,509	664,545	1,419,210	1,336,569
Non-current assets (50%/40%)	343,351	336,012	293,004	265,818	636,355	601,830
Group's share of net assets being carrying amount of investment in associates	302,860	295,437	293,004	265,818	595,864	561,255
Group's share of pre-acquisition value of the investment in association	40,491	40,575	-	-	40,491	40,575
	343,351	336,012	293,004	265,818	636,355	601,830
Revenue	92,304	178,589	93,043	139,853	185,347	318,442
Interest expense	(1,892)	(1,812)	(16,163)	(15,505)	(18,055)	(17,317)
Income tax credit/(charge)	(5,148)	(6,078)	(8,705)	(13,059)	(13,853)	(19,137)
Profit and total comprehensive income (100%)	14,677	106,083	68,175	89,823	82,852	195,906
Group's share of profit and total comprehensive income	7,339	53,042	27,270	35,929	34,609	88,971

Interest in associates includes a 19.5% holding in Transactions ePins Limited, which is not accounted for using the equity method as the Group is not considered to have significant influence. Shares are shown net of provision for impairment of $93,600,000 (2018: $Nil) representing the full carrying value of the Group's holding in Transaction ePins Limited. The impairment provision is made as there was no return on the investment to date and projected negative cash flows.

12. Loans

Loans, less allowances for losses, are as follows:

	Group		Company	
	2019	2018	2019	2018
	$'000	$'000	$'000	$'000
Mortgage loans - principal	73,927,086	70,760,167	-	-
Term loans	1,483,446	1,498,481	-	-
Other loans	21,606,813	14,774,634	132,507	600,000
	97,017,345	87,033,282	132,507	600,000
Accrued interest	489,735	486,129	4,647	-
	97,507,080	87,519,411	137,154	600,000

12. Loans (continued)

The banking indirect subsidiary's mortgage loan agreements include the right to call mortgages at any time with six months' notice, except for new loans, which cannot be called until six months after the issue date.

Other loans in the Company represent the balance on secured and unsecured loan facilities with indirect subsidiaries. Interest is receivable at 7.5% and 8% per annum, respectively.

Loans, less allowance for losses and excluding accrued interest, are due from the reporting date as follows:

	Group		Company	
	2019	2018	2019	2018
	$'000	$'000	$'000	$'000
Within 3 months	1,655,751	1,959,811	-	600,000
3 months to 1 year	3,047,260	1,184,668	-	-
1 year to 5 years	15,309,682	12,561,390	90,000	-
5 years and over	77,004,652	71,327,413	42,507	-
	97,017,345	87,033,282	132,507	600,000

The Group's loan portfolio, less allowance for losses, is concentrated as follows:

	Number of accounts		Value	
	2019	2018	2019	2018
			$'000	$'000
Professional and other services	422	622	1,549,109	2,159,894
Individuals	66,836	58,986	86,682,746	78,210,595
Corporations	481	715	9,275,225	7,148,922
	67,739	60,323	97,507,080	87,519,411

The Company's loan portfolio, less allowance for losses, is concentrated as follows:

	Number of accounts		Value	
	2019	2018	2019	2018
			$'000	$'000
Corporations	2	1	137,154	600,000

Loans and advances on which interest is no longer accrued [see note 45(s)] amounted to $9,689,494,000 (2018: $8,816,200,000) for the Group. This represents 9.79% (2018: 9.91%) of the gross loan portfolio for the Group. These loans are included in the financial statements, net of allowance for losses.

12. Loans (continued)

Loans are shown after deducting allowances for loan losses as follows:

	Group	
	2019	2018
	$'000	$'000
At beginning of the year	1,385,577	1,282,149
IFRS 9 transition [note 44(d)]	252,452	-
Increase in allowance made during the year [note 38(b)(v)]	299,578	222,128
Written back during the year [note 38(b)(v)]	(456,130)	(118,700)
At end of the year [note 38(b)]	1,481,477	1,385,577

Allowance for loan losses made in accordance with the requirements of IFRS is as follows:

	Group	
	2019	2018
	$'000	$'000
Specific provision	1,481,477	1,272,627
General provision	-	112,950
	1,481,477	1,385,577

Provisions made in accordance with Bank of Jamaica and other provisioning requirements are as follows:

	Group	
	2019	2018
	$'000	$'000
Specific provision	2,041,387	1,854,658
General provision	880,234	1,313,725
	2,921,621	3,168,383

The total provision is broken down as follows:

	Group	
	2019	2018
	$'000	$'000
Provision as per IFRS [note 38(b)]	1,481,477	1,385,577
Additional provision based on Bank of Jamaica provisioning requirements [note 28(c)]	1,440,144	1,782,806
	2,921,621	3,168,383

Included in mortgage loans for the Group are balances due from directors and companies controlled by directors amounting to $Nil (2018: $40,631,000) and interest due on these loans of $Nil (2018: $98,000).

13. Other assets

	Group		Company	
	2019	2018	2019	2018
	$'000	$'000	$'000	$'000
Other receivables	2,674,525	1,541,225	52,190	27,510
Reinsurance assets [note 24(a)]	1,207,828	1,528,343	-	-
Inventories	103,131	131,794	-	-
	3,985,484	3,201,362	52,190	27,510

The balances are reflected net of ECL allowance of $102,724,000 (2018: Bad debt provision of $44,243,000).

14. Assets held for sale

	Group	
	2019	2018
	$'000	$'000
Foreclosed properties	920,362	903,766
Less impairment losses	(515,802)	(474,847)
	404,560	428,919

Movement on impairment losses is as follows:

	Group	
	2019	2018
	$'000	$'000
At beginning of year	474,847	426,013
Increase in allowance	40,955	48,834
At end of year	515,802	474,847

The banking indirect subsidiary acquired real properties through foreclosure on collateral held as securities against loans. Foreclosed properties should be disposed of within 3 years of acquisition, in accordance with Section 53(1) of the Banking Services Act, 2014 [see note 45(i)].

15. Investment property

	Group
	$'000
At cost:	
March 31, 2017	411,489
Additions	51,442
Transfers in	42,505
Translation adjustments	(540)
March 31, 2018	504,896
Additions	106
Transfers in	6,720
Translation adjustments	(961)
March 31, 2019	510,761
Depreciation:	
March 31, 2017	86,921
Charge for the year	7,433
Transfers in	20,758
Translation adjustments	(266)
March 31, 2018	114,846
Charge for the year	11,077
Translation adjustments	(858)
March 31, 2019	125,065
Carrying values:	
March 31, 2019	385,696
March 31, 2018	390,050
March 31, 2017	324,568

	Group	
	2019	2018
	$'000	$'000
Fair value of investment property	911,373	856,335
Income earned from the property	66,242	60,929
Expenses incurred by the property	59,273	47,012

Land and building which are classified as investment property in the books of an indirect subsidiary is occupied by certain fellow subsidiaries. They were, therefore, reclassified as property, plant and equipment on the Group basis.

15. Investment property (continued)

Measurement of fair value:

The fair value of investment property is categorised as Level 3 in the fair value hierarchy. The following table shows the valuation technique used in measuring the fair value as well as the significant unobservable inputs used.

Valuation technique	Significant unobservable inputs	Inter relationship between key inputs and fair measurement
Income approach: The valuation model examines the price an investor would be prepared to pay for the right to receive a certain income stream. The model considers the present value of net cash flows to be generated from the property, taking into account expected rental growth rate, and current rental rates. The estimated net cash flows are discounted using current yields. Among other factors, the yield estimation considers the quality of a building and its location, tenants' credit quality and lease terms.	• Expected market rental growth yields • Rental rates	The estimated fair value would increase/(decrease) if: • Expected market rental growth were higher/ (lower); • The occupancy rates were higher/(lower); • Rent-free periods were shorter/(longer); or • Yields were lower/(higher).

16. Property, plant and equipment

	Group					
	Freehold land and buildings $'000	Leasehold land and buildings $'000	Computers and office equipment $'000	Motor vehicles $'000	Work-in-progress $'000	Total $'000
At cost:						
March 31, 2017	4,005,998	565,789	3,929,609	927,231	207,095	9,635,722
Additions	2,941	62,089	405,230	120,614	137,129	728,003
Transfers from work in progress	214,122	31,764	3,540	-	(249,426)	-
Transfers out	(42,505)	-	(3,237)	-	-	(45,742)
Disposals	-	-	(2,856)	(46,140)	-	(48,996)
Translation adjustments	(8,789)	665	1,877	(22)	(23,099)	(29,368)
March 31, 2018	4,171,767	660,307	4,334,163	1,001,683	71,699	10,239,619
Additions	3,593	67,664	556,203	183,665	205,273	1,016,398
Transfers from work in progress	14,516	-	2,013	-	(16,529)	-
Transfers out	(6,720)	(4,566)	(12,679)	(310)	(18,253)	(42,528)
Disposals	-	-	(1,232)	(145,144)	-	(146,376)
Translation adjustments	1,857	93	325	61	-	2,336
March 31, 2019	4,185,013	723,498	4,878,793	1,039,955	242,190	11,069,449
Depreciation:						
March 31, 2017	637,374	410,284	2,919,552	539,972	-	4,507,182
Charge for the year	106,829	75,143	292,013	141,484	-	615,469
Transfers out	(20,758)	-	(180)	-	-	(20,938)
Translation adjustments	(1,709)	533	676	130	-	(370)
Eliminated on disposals	-	-	(2,674)	(41,330)	-	(44,004)
March 31, 2018	721,736	485,960	3,209,387	640,256	-	5,057,339
Charge for the year	91,802	73,960	313,950	153,309	-	633,021
Transfers out	-	(2,885)	(4,999)	(330)	-	(8,214)
Translation adjustments	3	91	159	(7)	-	246
Eliminated on disposals	-	-	(1,046)	(134,126)	-	(135,172)
March 31, 2019	813,541	557,126	3,517,451	659,102	-	5,547,220
Net book values:						
March 31, 2019	3,371,472	166,372	1,361,342	380,853	242,190	5,522,229
March 31, 2018	3,450,031	174,347	1,124,776	361,427	71,699	5,182,280
March 31, 2017	3,368,624	155,505	1,010,057	387,259	207,095	5,128,540

Included in freehold land and buildings is the cost of land at $109,529,000 (2018: $109,529,000).

16. Property, plant and equipment (continued)

	Company		
	Computers and office equipment $'000	Motor Vehicles $'000	Total $'000
At cost:			
March 31, 2017	-	-	-
Additions	9,872	68,548	78,420
March 31, 2018	9,872	68,548	78,420
Additions	269,148	64,996	334,144
March 31, 2019	279,020	133,544	412,564
Depreciation:			
March 31, 2017	-	-	-
Charge for the year	437	7,729	8,166
March 31, 2018	437	7,729	8,166
Charge for the year	16,877	21,714	38,591
March 31, 2019	17,314	29,443	46,757
Net book values:			
March 31, 2019	261,706	104,101	365,807
March 31, 2018	9,435	60,819	70,254

17. Goodwill and intangible assets

	Group						
	Customer base $'000	Trademarks $'000	Goodwill $'000	Licence $'000	Software $'000	Non-compete agreement $'000	Total $'000
At cost:							
March 31, 2017	69,568	122,636	827,161	435	1,406,331	31,477	2,457,608
Additions	-	-	-	-	245,388	-	245,388
Transfer from property, plant and equipment	-	-	-	-	3,237	-	3,237
Translation adjustments	-	(2,140)	2,514	-	(698)	(614)	(938)
March 31, 2018	69,568	120,496	829,675	435	1,654,258	30,863	2,705,295
Additions	-	-	-	-	217,889	-	217,889
Translation adjustments	-	204	2,654	-	39	113	3,010
March 31, 2019	69,568	120,700	832,329	435	1,872,186	30,976	2,926,194
Amortisation and impairment losses:							
March 31, 2017	69,568	2,975	-	-	1,010,008	31,477	1,114,028
Charge for the year	-	362	-	-	187,134	-	187,496
Transfers from property, plant and equipment	-	-	-	-	180	-	180
Translation adjustments	-	84	-	-	(650)	(614)	(1,180)
March 31, 2018	69,568	3,421	-	-	1,196,672	30,863	1,300,524
Charge for the year	-	364	-	-	253,732	-	254,096
Translation adjustments	-	(107)	-	-	21	113	27
March 31, 2019	69,568	3,678	-	-	1,450,425	30,976	1,554,647

17. Goodwill and intangible assets (continued)

	Group						
	Customer base	Trademarks	Goodwill	Licence	Software	Non-compete agreement	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Net book values:							
March 31, 2019	-	117,022	832,329	435	421,761	-	1,371,547
March 31, 2018	-	117,075	829,675	435	457,586	-	1,404,771
March 31, 2017	-	119,661	827,161	435	396,323	-	1,343,580

	Company
	Software
	$'000
At cost:	
March 31, 2017	-
Additions	677
March 31, 2018 and 2019	677
Depreciation:	
March 31, 2017	-
Charge for the year	188
March 31, 2018	188
Charge for the year	226
March 31, 2019	414
Net book value:	
March 31, 2019	263
March 31, 2018	489

Goodwill is attributable to the acquisition of Manufacturers Credit and Information Services Limited (MCIS) and QuikCash.

In testing intangible assets for impairment, recoverable amounts of cash-generating units (CGUs) were estimated based on value in use. Where the recoverable amounts exceed the carrying amounts, no impairment allowance is made. The recoverable amounts of the CGUs for MCIS and QuikCash, were arrived at by estimating its future cash flows and discounting those cash flows using long-term discount rates applicable to Jamaica and Cayman Islands, as relevant. The fair value measurement was categorised as Level 3 fair value based on inputs in the valuation technique. Future sustainable cash flows were estimated based on the most recent forecasts, based on past experience and management's plans.

These projections included specific estimates for four (4) years and a terminal growth rate thereafter. The terminal growth rate was determined based on management's estimate of the long-term compound annual EBITDA growth rate, consistent with the assumption that a market participant will make.

17. Goodwill and intangible assets (continued)

The key assumptions used in the discounted cash flow projections were as follows:

	2019		2018	
	QuikCash	MCIS	QuikCash	MCIS
	%	%	%	%
Discount rates – Cayman Islands and Jamaica respectively	14.0	20.0	13.5	20.0 & 28.7
Growth rates	2.0	4.0	2.0	4.0
Jamaican dollar devaluation rate	-	5.0	-	6.0

The estimated recoverable amount of QuikCash exceeded its carrying amount by approximately CI $226,000 as at March 31, 2019 (2018: CI$383,000). Management has identified that a reasonably possible change in the following key assumption could cause the estimated recoverable amount of goodwill to be equal to its carrying amount:

	2019	2018
	%	%
Discount rate	18.4	13.6
Growth rate	(7.7)	(10.6)

18. Deferred tax assets/(liabilities)

Deferred tax assets and liabilities are attributable to the following:

	Group					
	Assets		Liabilities		Net	
	2019	2018	2019	2018	2019	2018
	$'000	$'000	$'000	$'000	$'000	$'000
Other assets	40,253	11,562	37,783	(2,508)	78,036	9,054
Interest receivable	(27,164)	-	(58,590)	(65,552)	(85,754)	(65,552)
Property, plant and equipment	118,971	217,434	8,557	25,929	127,528	243,363
Employee benefits obligation	575,633	494,811	-	-	575,633	494,811
Other payables	61,107	36,991	19,238	17,835	80,345	54,826
FVOCI (2018: available-for-sale investments)	(102,960)	(167,493)	(50,564)	5,760	(153,524)	(161,733)
Contractual savings reserve	(4,267)	-	-	(4,267)	(4,267)	(4,267)
Tax losses carried forward	623,561	411,941	-	-	623,561	411,941
Investment securities at amortised cost	7,015	-	-	-	7,015	-
Unrealised foreign exchange gain	(63,130)	(163,083)	23,391	(17)	(39,739)	(163,100)
Impairment losses on loans	302,978	(65,419)	-	-	302,978	(65,419)
Net deferred tax assets/(liabilities)	1,531,997	776,744	(20,185)	(22,820)	1,511,812	753,924

	Company					
	Assets		Liabilities		Net	
	2019	2018	2019	2018	2019	2018
	$'000	$'000	$'000	$'000	$'000	$'000
Interest receivable	(1,162)	-	-	-	(1,162)	-
Property, plant and equipment	(19,909)	1,216	-	-	(19,909)	1,216
Other payables	2,501	2,501	-	-	2,501	2,501
Unrealised foreign exchange gain	(2,484)	-	-	-	(2,484)	-
Tax losses carried forward	610,097	390,326	-	-	610,097	390,326
Net deferred tax assets	589,043	394,043	-	-	589,043	394,043

18. Deferred tax assets/(liabilities) (continued)

Movement in net temporary differences during the year are as follows:

	Group 2019					
	Balances at April 1, 2018 $'000	Recognised in surplus $'000 [Note 34(a)(ii)]	Recognised in other comprehensive income $'000	Currency translation $'000	Recognised in equity $'000	Balances at March 31, 2019 $'000
Other assets	9,054	64,914	-	4,068	-	78,036
Interest receivable	(65,552)	(20,202)	-	-	-	(85,754)
Property, plant and equipment	243,363	(112,538)	-	(3,297)	-	127,528
Employee benefits obligation	494,811	57,978	22,844	-	-	575,633
Other payables	54,826	25,519	-	-	-	80,345
FVOCI (2018: available-for-sale) investment securities	(161,733)	11,054	(2,845)	-	-	(153,524)
Contractual savings reserve	(4,267)	-	-	-	-	(4,267)
Tax losses carried forward	411,941	216,197	-	(4,577)	-	623,561
Investment securities at amortised cost	-	(445)	-	-	7,460	7,015
Unrealised foreign exchange gain	(163,100)	123,307	-	-	-	(39,739)
Impairment losses on loans	(65,419)	289,795	-	54	78,602	302,978
Net deferred tax assets	753,924	655,579	19,999	(3,752)	86,062	1,511,812

	Group 2018			
	Balances at April 1, 2017 $'000	Recognised in surplus $'000 [Note 34(a)(ii)]	Recognised in other comprehensive income $'000	Balances at March 31, 2018 $'000
Other assets	481	8,573	-	9,054
Interest receivable	(121,384)	55,832	-	(65,552)
Property, plant and equipment	184,384	58,979	-	243,363
Employee benefits obligation	391,444	62,308	41,059	494,811
Other payables	113,774	(58,948)	-	54,826
Available-for-sale investments	(301,887)	20,662	119,492	(161,733)
Contractual savings reserve	(4,267)	-	-	(4,267)
Tax losses carried forward	297,367	114,574	-	411,941
Unrealised foreign exchange gain	(190,489)	27,389	-	(163,100)
Impairment losses on loans	-	(65,419)	-	(65,419)
Net deferred tax assets	369,423	223,950	160,551	753,924

18. Deferred tax assets/(liabilities) (continued)

Movement in net temporary differences during the year are as follows (continued):

	Company 2019		
	Balances at April 1, 2018 $'000	Recognised in surplus $'000 [Note 34(a)(ii)]	Balances at March 31, 2019 $'000
Interest receivable	-	(1,162)	(1,162)
Property, plant and equipment	1,216	(21,125)	(19,909)
Other payables	2,501	-	2,501
Tax losses carried forward	390,326	219,771	610,097
Unrealised foreign exchange gain	-	(2,484)	(2,484)
Net deferred tax assets	394,043	195,000	589,043

	Company 2018		
	Balances at April 1, 2017 $'000	Recognised in surplus $'000 [Note 34(a)(ii)]	Balances at March 31, 2018 $'000
Property, plant and equipment	-	1,216	1,216
Other payables	-	2,501	2,501
Tax losses carried forward	-	390,326	390,326
Net deferred tax assets	-	394,043	394,043

19. Customer deposits

	Group 2019 $'000	Group 2018 $'000
Deposits	129,100,148	117,797,335
Accrued interest	392,406	273,425
	129,492,554	118,070,760

Customer deposits are due from the reporting date as follows:

	Group 2019 $'000	Group 2018 $'000
Within 3 months	114,731,410	103,463,850
From 3 months to 1 year	13,681,050	13,282,019
Over 1 year	1,080,094	1,324,891
	129,492,554	118,070,760

The Group's customer deposits portfolio is concentrated as follows:

	Number of accounts		Value	
	2019	2018	2019 $'000	2018 $'000
Public authorities	793	805	943,526	608,497
Financial institutions	158	110	5,257,668	984,312
Commercial and business	6,831	5,765	9,538,423	10,681,269
Individuals	852,933	826,020	113,752,937	105,796,682
	860,715	832,700	129,492,554	118,070,760

20. Securities sold under repurchase agreements

	Group 2019 $'000	Group 2018 $'000
Principal	17,181,538	24,187,436
Interest payable	58,849	83,230
	17,240,387	24,270,666

20. Securities sold under repurchase agreements (continued)

Securities sold under repurchase agreements are due from the reporting date as follows:

	Group	
	2019	2018
	$'000	$'000
Within 3 months	13,925,416	20,598,242
From 3 months to 1 year	3,314,971	3,672,424
	17,240,387	24,270,666

At March 31, 2019, securities obtained under resale agreements and certain investments have been pledged by the Group as collateral for repurchase agreements. These financial instruments have a carrying value of $18,348,980,000 (2018: $24,890,705,000).

21. Other payables

	Group		Company	
	2019	2018	2019	2018
	$'000	$'000	$'000	$'000
Staff related accruals	270,630	295,847	-	-
Insurance payable	713,624	766,251	-	-
Customers' and other deposits [note 6(e)]	594,040	649,170	-	-
Trade payables	1,618,593	1,315,763	70,592	9,290
Accruals and other payables	1,748,853	1,501,745	85,440	159,036
	4,945,740	4,528,776	156,032	168,326

22. Margin loan payable

This represents short-term debt facility provided by a brokerage firm to an indirect subsidiary to acquire securities on its own account. The facility is collateralised by the securities held with the brokerage firm and bears interest at 3.4% (2018: 2.3%) per annum [note 8(vii)].

23. Employee benefits obligation

The Group provides for several post-retirement pension benefits through a defined-contribution scheme which replaced a prior defined-benefit pension scheme for employees within the Group. The pensioners in the defined-benefit scheme were transferred to a defined-contribution scheme, with the guarantee of their pension payments, and active members started to contribute on a defined-contribution basis. The scheme is funded by contributions from the Group and employees in accordance with the rules of the scheme.

Under the defined-contribution schemes, retirement benefits are based on the Group's and employees' accumulated contributions, plus interest and, therefore, the Group has no further obligation to fund pension benefits.

23. Employee benefits obligation (continued)

During a prior period, the trustees of the scheme purchased annuities for the transferring pensioners in the scheme, thereby, removing the obligation of the guarantee of the pension payments from the scheme.

The following indirect subsidiaries participate in defined-contribution pension schemes in their respective jurisdiction as follows:

	Subsidiary	Pension scheme
(i)	JN Cayman	Cayman National Pension Plan
(ii)	JN Money Services (USA) Inc.	401K retirement plan managed by Legg Mason Global Asset Management
(iii)	JN Money Services (Canada) Limited	Registered retirement services plan managed by Manulife Financial Corporation
(iv)	JN Money Services (Cayman) Limited	Cayman Islands Chamber of Commerce Pension Plan
(v)	JN Money Services (UK) Limited	Legal & General Assurance Society

The total contributions made for the year is included in employee costs (note 35).

The Group provides group life and post-retirement health insurance benefits to retirees who have met certain minimum service requirements.

The amounts recognised in the statement of financial position for employee benefits in respect of the group life and health insurance plans are as follows:

(a) Employee benefits obligation:

	Group	
	2019	2018
	$'000	$'000
Present value of unfunded obligations	1,720,244	1,467,446
Supplementary benefit [note 23(i)]	6,655	6,550
	1,726,899	1,473,996

23. Employee benefits obligation (continued)

(b) Movement in the present value of unfunded obligations:

	Group	
	2019	2018
	$'000	$'000
Present value of unfunded obligations and supplementary benefit at beginning of year	1,473,996	1,174,329
Benefits paid	(12,717)	(9,054)
Service costs	85,577	98,889
Interest cost	111,513	86,653
Actuarial (gain)/loss arising from:		
Experience adjustments	(6,019)	34,785
Demographic assumption	(12,555)	61,002
Financial assumptions	87,104	27,392
Balances at end of year	1,726,899	1,473,996

(c) Expenses recognised in the statement of revenue and expenses:

	Group	
	2019	2018
	$'000	$'000
Current service costs	85,577	56,159
Past service cost	-	42,730
Interest cost on obligation	111,513	86,653
	197,090	185,542

(d) Items recognised in other comprehensive income:

	Group	
	2019	2018
	$'000	$'000
Remeasurement loss on obligation	68,531	123,178

(e) Principal actuarial assumptions at the reporting date (expressed as weighted averages):

	Group	
	2019	2018
	%	%
Discount rate at March 31	7.00	7.50
Health cost inflation rate	6.00	6.00
Salary growth rate	-	5.50
Interest on contributions	7.00	-

23. Employee benefits obligation (continued)

(f) Sensitivity analysis:

Sensitivity analysis on projected benefit obligation:

The calculation of the projected benefit obligation is sensitive to the assumptions used. The table below summarizes how the projected benefit obligation measured at the end of the reporting period would have increased/(decreased) as a result of a change in the respective assumptions by one percentage point. In preparing the analyses for each assumption, all others were held constant. The economic assumptions are somewhat linked as they are all related to inflation. Hence, for example, a 1% reduction in the long-term discount rate, would cause some reduction in the medical trend rate.

	Group			
	2019		2018	
	$'000 1 % Increase	$'000 1 % Decrease	$'000 1 % Increase	$'000 1 % Decrease
Discount rate	(327,677)	444,343	(297,453)	407,443
Heath inflation rate	410,702	(307,695)	373,904	(276,965)
Salary increase rate	-	-	3,178	(2,805)
Interest on contributions	14,388	(11,483)	-	-

(g) At March 31, 2019, the weighted average duration of the defined benefit obligation was 22.9 years (2018: 24.9 years).

(h) As mortality continues to improve, estimates of life expectancy are expected to increase. An increase of one year in life expectancy is expected to impact the employee benefit obligation as follows:

- Post-retirement health insurance plan: increase of $54,150,000 (2018: $43,587,000).
- Group life plan: decrease of $8,079,000 (2018: $7,781,000).

(i) Supplementary pension benefit:

This represents the defined benefit obligation in respect of supplementary pension provided by an indirect subsidiary for 4 (2018: 4) pensioners.

24. Insurance contract provisions

(a) Group:

	2019			2018		
	Gross $'000	Reinsurance $'000	Net $'000	Gross $'000	Reinsurance $'000	Net $'000
Claims outstanding	1,900,989	(125,608)	1,775,381	2,300,901	(376,638)	1,924,263
Unearned premiums	2,222,017	(1,082,220)	1,139,797	2,232,751	(1,151,705)	1,081,046
	4,123,006	(1,207,828)	2,915,178	4,533,652	(1,528,343)	3,005,309

24. Insurance contract provisions (continued)

(b) Analysis of movements in insurance contract provisions:

Claims outstanding:

	2019			2018		
	Gross $'000	Reinsurance $'000	Net $'000	Gross $'000	Reinsurance $'000	Net $'000
Claims notified	1,562,657	(346,307)	1,216,350	1,550,859	(193,389)	1,357,470
Claims incurred but not reported	808,402	(30,331)	778,071	745,812	(22,740)	723,072
Balances at April 1	2,371,059	(376,638)	1,994,421	2,296,671	(216,129)	2,080,542
Claims incurred	1,125,718	(61,816)	1,063,902	1,479,226	(383,248)	1,095,978
Claims paid in year	(1,595,788)	312,846	(1,282,942)	(1,474,996)	222,739	(1,252,257)
Change in outstanding claims provision	(470,070)	251,030	(219,040)	4,230	(160,509)	(156,279)
Balances at March 31	1,900,989	(125,608)	1,775,381	2,300,901	(376,638)	1,924,263
Claims notified	1,074,586	(88,335)	986,251	1,542,132	(346,307)	1,195,825
Claims incurred but not reported	826,403	(37,273)	789,130	758,769	(30,331)	728,438
Balances at March 31	1,900,989	(125,608)	1,775,381	2,300,901	(376,638)	1,924,263

Outstanding claims include gross claims payable of $30,846,000 (2018: $11,398,000) under policies issued to related parties.

(c) Unearned premiums:

	2019			2018		
	Gross $'000	Reinsurance $'000	Net $'000	Gross $'000	Reinsurance $'000	Net $'000
Balances at April 1	2,232,751	(1,151,705)	1,081,046	2,253,243	(1,174,718)	1,078,525
Premiums written during the year	4,875,520	(2,632,751)	2,242,769	5,203,371	(3,065,542)	2,137,829
Premiums earned during the year	(4,886,254)	2,702,236	(2,184,018)	(5,223,863)	3,088,555	(2,135,308)
Balances at March 31	2,222,017	(1,082,220)	1,139,797	2,232,751	(1,151,705)	1,081,046

24. Insurance contract provisions (continued)

(d) Gross unearned premiums are analysed as follows:

	Group	
	2019	2018
	$'000	$'000
Liability	137,127	136,591
Motor	909,166	869,944
Pecuniary loss	4,182	4,466
Personal accident	10,488	9,128
Marine	5,565	5,907
Property	1,091,109	1,142,214
Engineering	64,380	64,501
	2,222,017	2,232,751

25. Long-term loans

	Group	
	2019	2018
	$'000	$'000
Development Bank of Jamaica Limited [see (i)]	1,033,392	714,856
JN Foundation unsecured bond [see (ii)]	16,481	16,481
National Insurance Fund [see (iii)]	61,028	92,301
National Export-Import Bank of Jamaica Limited [see (iv)]	471,699	150,000
Micro Investment Development Agency Limited [see (v)]	65,361	109,944
	1,647,961	1,083,582

(i) This represents several unsecured loans which bear interest ranging from 9.8% to 10% (2018: 9.8% to 10%) per annum. The loans are repayable in monthly or quarterly instalments ranging from $1,083,318 to $32,300,000 and ending between June 30, 2019 and December 31, 2021.

(ii) This is an unsecured bond, Series B, issued by a related party, which bears interest at 4.8% (2018: 4.8%) per annum. Repayment of the principal is subject to a call option exercisable by the bondholders after giving 180 days written notice. Interest payments are due quarterly. The related party does not intend to require payment before March 31, 2020.

(iii) This represents several unsecured loans which bear interest at 4% per annum. The loans are repayable in quarterly instalments ranging from $111,111 to $693,333 and ending between June 30, 2019 and March 31, 2022.

(iv) This represents unsecured loans which bear interest at 10% per annum. The loan are repayable in quarterly instalments varying from $8,666,667 to $13,333,333 and ending between September 30, 2022 and December 31, 2022.

(v) This represents several unsecured loans which bear interest at an average rate of 9.25% per annum. The loans are repayable in quarterly instalments ranging from $1,998,725 to $6,113,560 and ending between June 30, 2019 and October 31, 2020.

26. Reserve fund

In accordance with the Banking Services Act, 2014 and regulations under which one of the indirect subsidiaries operates, the entity is required to make transfers of a minimum of 15% of net profits, until the amount in the fund is equal to 50% of the paid-up capital of the subsidiary and thereafter, 10% of the net profits until the reserve fund is equal to its paid-up capital.

27. Contractual savings reserve

Under a previously operated scheme, the members of the predecessor entity, the Society, after meeting certain criteria, including saving a contracted sum at a fixed rate of 3% which is maintained by an indirect subsidiary per annum, became eligible to apply for a mortgage loan at a fixed rate of 5% per annum. The reserve was established in anticipation of the shortfall in interest income in future years, from the provision of this facility. Management constantly monitors the adequacy of the reserve and makes appropriate adjustments, as necessary.

28. Other reserves

	Group		Company	
	2019	2018	2019	2018
	$'000	$'000	$'000	$'000
Capital reserves	83,076	83,076	-	-
Exchange equalisation reserve [see (a)]	359,652	514,283	-	-
Investment revaluation reserve [see (b)]	644,960	573,275	-	-
Credit loss reserve [see (c)]	1,440,144	1,782,806	-	-
Other reserves [see (d)]	175,057	180,386	175,212	180,541
Retained earnings reserve [see note 29]	3,429,000	2,429,000	-	-
	6,131,889	5,562,826	175,212	180,541

(a) This comprises all foreign currency differences arising from the translation of the financial statements of foreign subsidiaries for consolidation purposes.

(b) This represents unrealised gains on the revaluation of investments classified as FVOCI (2018: available-for-sale), net of deferred tax and expected credit losses.

(c) This is a non-distributable reserve representing the excess of regulatory and other provisions over the IFRS provision for loan losses (note 12).

(d) This reserve was created under the scheme of arrangement to meet possible claims from customers with dormant accounts exceeding 15 years who may come forward.

29. Retained earnings reserve

The Banking Services Act, 2014 permits transfers from net profits to retained earnings reserve for the banking subsidiary, which constitutes a part of the capital base of that subsidiary. Transfers to the retained earnings reserve are made at the discretion of the Board of Directors. Such transfers must be notified to the Bank of Jamaica and any reversal must also be approved by the Bank of Jamaica.

30. Non-controlling interest

(a) Non-controlling interest

	Group	
	2019	2018
	$'000	$'000
Share capital	3,612	3,612
Share of profits and reserves	74,425	121,412
	78,037	125,024

This represents the non-controlling interest in the following indirect subsidiaries:

Company	Non-controlling interest holding	
	2019	2018
	%	%
JN Cayman	4.11	4.11
Management Control Systems Limited	2.69	2.69
JN General Insurance Company Limited	0.50	0.50

(b) Dividends to shareholders

	2019	2018
	$'000	$'000
Interim dividends paid to non-controlling interest	2,893	6,076

At the Board of Directors meetings held on September 26, 2018, February 8, 2019 and March 14, 2019 [2018: September 5 and 18, 2017, January 29, 2018 and March 22, 2018] the directors of indirect subsidiaries declared interim dividends of which $2,893,000 (2018: $6,076,000) were paid to minority shareholders.

31. Interest expense

	Group	
	2019	2018
	$'000	$'000
Customer deposits	1,263,393	1,199,096
Specialised financial institutions	737,667	702,652
Other	629,332	894,990
	2,630,392	2,796,738

32. Other operating income

	Group		Company	
	2019	2018	2019	2018
	$'000	$'000	$'000	$'000
Commission income	35,801	31,152	-	-
Transaction fees	510,960	245,156	-	-
Loan fees	615,871	498,138	-	-
Money transfer fees	1,575,548	1,463,319	-	-
Mobile credit top up	42,406	55,423	-	-
Asset management fees	126,482	70,087	-	-
Corporate finance and advisory fees	56,332	29,649	-	-
Other fees and commission	187,584	100,291	-	-
Total fees and commission	3,150,984	2,493,215	-	-
Realised foreign exchange gain on trading	2,819,432	2,029,242	-	-
Net underwriting insurance income	1,566,121	1,291,812	-	-
Management fees	-	-	973,060	-
Dividends	33,162	23,918	545,000	2,121,927
Rendering of services	397,267	517,913	171,656	-
Fair value loss on put option	-	(106,532)	-	-
Other	250,944	117,177	-	251,011
Total other operating income	5,066,926	3,873,530	1,689,716	2,372,938
Total	8,217,910	6,366,745	1,689,716	2,372,938

33. Operating expenses

	Group		Company	
	2019	2018	2019	2018
	$'000	$'000	$'000	$'000
Administrative	3,647,597	3,256,913	163,874	161,563
Employee costs (note 35)	9,301,168	8,360,837	801,294	555,575
Advertising and promotion	1,256,840	1,078,200	226,938	301,609
Audit fees - current year	117,857	112,651	5,683	5,000
- prior year	135	1,430	-	1,754
Bad debts written-off for loans and other receivables	142,740	415,216	-	-
Directors' fees	93,784	77,125	36,709	27,942
Directors' remuneration	66,707	59,533	2,958	876
Depreciation and amortisation	898,194	810,398	38,817	8,354
Impairment losses	134,894	90,775	-	-
Legal and professional fees	1,610,847	1,816,355	739,180	877,471
	17,270,763	16,079,433	2,015,453	1,940,144

34. Taxation

(a) Taxation is based on the surplus for the year, as adjusted for income tax purposes, and is made up as follows:

	Group 2019 $'000	Group 2018 $'000	Company 2019 $'000	Company 2018 $'000
(i) Current tax expense:				
Taxation on subsidiaries	1,126,531	878,164	-	-
Employment tax credit	(8,136)	(10,029)	-	-
Adjustments in respect of prior year	(4,128)	3,487	-	-
	1,114,267	871,622	-	-
(ii) Deferred taxation:				
Origination and reversal of temporary differences (note 18)	(452,675)	(109,376)	-	(3,717)
Unrecognised tax losses (note 18)	(202,904)	(114,574)	(195,000)	(390,326)
	(655,579)	(223,950)	(195,000)	(394,043)
Total taxation in statement of revenue and expenses	458,688	647,672	(195,000)	(394,043)

(b) Reconciliation of effective tax charge:

Taxation is computed at rates of 25% for the Company, 15%, 33⅓% and 25% for local direct and indirect subsidiaries and 20%, 26½%, 30% and 40% for certain foreign indirect subsidiaries. The effective tax rate for 2019 was 36.06% (2018: 39.85%) of $1,271,881,000 (2018: $1,625,371,000) pre-tax surplus for the Group and an effective tax rate of (69.9)% (2018: 88.29%) of pre-tax (deficit)/surplus of $278,974,000 (2018: $446,329,000) for the Company.

The actual charge differs from the "expected" tax charge for the year as follows:

	Group 2019 $'000	Group 2018 $'000	Company 2019 $'000	Company 2018 $'000
Surplus/(deficit) before taxation	1,271,881	1,625,371	(278,974)	446,329
Computed "expected" tax expense at 15%	2,786	3,484	-	-
Computed "expected" tax (credit)/expense at 20% & 25%	106,158	301,901	(69,743)	111,583
Computed "expected" tax expense at 26½ % & 30%	271,477	17,529	-	-
Computed "expected" tax expense at 33⅓% & 40%	573,138	1,366,632	-	-
	953,559	1,689,546	(69,743)	111,583
Difference between surplus/(deficit) for financial statements, and tax reporting purposes on -				
Depreciation charge and capital allowances	115,443	15,158	(796)	(225)
Gain on disposal of property, plant and equipment	(10,959)	(807)	-	-
Unfranked and exempt income	(512,537)	(1,282,523)	(136,250)	(530,482)
Gain on disposal of investments	(161,661)	(261,554)	-	-
Prior year (over)/under-provision	(4,128)	3,487	-	-
Disallowed expenses, net	49,824	496,968	6,759	25,574
Tax losses	57,914	-	5,030	-
Other	(28,767)	(12,603)	-	(493)
Actual tax expense/(credit), net	458,688	647,672	(195,000)	(394,043)

34. Taxation (continued)

(c) At March 31, 2019, taxation losses of the Company and local indirect subsidiaries available for relief against future taxable profits subject to the agreement of the Commissioner General, Tax Administration Jamaica, aggregated to approximately $2,678,274,000 (2018: $1,607,543,000) for the Group and $2,465,766,000 (2018: $1,566,562,000) for the Company.

As at January 1, 2014, tax losses may be carried forward indefinitely; however, the maximum amount that can be utilised in any one year is restricted to 50% of the current year's taxable profits. Taxation losses available to overseas indirect subsidiaries, for relief against their future taxable profits, amounted to approximately $9,981,000 (2018: $16,219,000).

(d) At March 31, 2019, a deferred tax liability of approximately $3,859,862,000 (2018: $3,985,966,000), relating to investment in certain indirect subsidiaries and associated companies has not been recognised, as the Company controls, or significantly controls, whether any liability will be incurred and management is satisfied that it will not be incurred in the foreseeable future.

35. Employee costs

The aggregate staff costs were as follows:

	Group		Company	
	2019	2018	2019	2018
	$'000	$'000	$'000	$'000
Salaries	6,502,181	5,758,914	516,081	431,402
Pension, group life and health contributions	657,204	612,650	113,458	42,028
Statutory contributions	680,370	625,375	44,490	33,926
Other	1,461,413	1,363,898	127,265	48,219
	9,301,168	8,360,837	801,294	555,575

36. Related party balances and transactions

Identity of related parties:

(a) The Company has a related party relationship with its subsidiaries, indirect subsidiaries, associates, the pension scheme, directors, companies owned by directors, JN Foundation and other key management personnel.

36. Related party balances and transactions (continued)

(b) The statements of financial position includes balances arising in the ordinary course of business, with related parties as follows:

	Group		Company	
	2019	2018	2019	2018
	$'000	$'000	$'000	$'000
Cash and cash equivalents				
Other related entities	-	-	25,192	194,387
Securities sold under repurchase agreements				
Directors	122,196	114,542	-	-
Other related entities	519,891	661,050	-	-
Loans				
Directors	6,351	35,083	-	-
Other key management personnel	163,169	175,159	-	-
Other related entities	-	-	137,154	600,000
Customer deposits				
Directors	177,496	292,551	-	-
Other key management personnel	81,396	83,216	-	-
Other related entities	27,529	2,508	-	-
Other payables				
Other related entities	179,159	184,392	175,159	184,392
Long term loans				
Other related entities	16,481	16,481	-	-

(c) The surplus/(deficit) before taxation includes income earned from, and expenses incurred in, transactions with related parties in the ordinary course of business, as follows:

	Group		Company	
	2019	2018	2019	2018
	$'000	$'000	$'000	$'000
Subsidiaries:				
Dividends	-	-	(545,000)	(2,121,927)
Interest income	-	-	(36,347)	(11,724)
Management fees expense	-	-	616,604	689,771
Management fees income	-	-	(973,060)	(221,727)
Insurance expense	-	-	3,813	8,658
Directors:				
Interest income	(413)	(3,253)	-	-
Interest expense	5,346	8,423	-	-
Other related parties:				
Interest expense	16,156	50,273	-	-
Contribution to pension scheme	206,684	184,565	15,984	-
Fee income	(105,137)	(54,789)	-	-
Contribution to JN Foundation	82,037	104,923	-	-

36. Related party balances and transactions (continued)

(d) Compensation paid to key management personnel (directors and senior executives) is as follows:

	Group		Company	
	2019	2018	2019	2018
	$'000	$'000	$'000	$'000
Short-term benefits	379,861	319,733	189,392	168,837
Post-employment benefits	12,131	10,130	6,509	5,991
	391,992	329,863	195,901	174,828

37. Managed funds

An indirect subsidiary acts as agent and earns fees for managing clients' funds on a non-recourse basis under a management agreement. The Group has no legal or equitable right or interest in these funds and, accordingly, these funds and the assets in which they are invested have been excluded from these financial statements. At March 31, 2019, these funds amounted to $31,757,239,000 (2018: $27,274,070,000).

38. Financial risk management

(a) Overview

The Group has exposure to the following financial risks from its operations and the use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk
- Operational risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and its management of capital.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board and management has established the Finance Committee, the Group Risk and Compliance Unit and Group Audit Committee, which are responsible for developing and monitoring risk management policies in their specified areas. These committees have both executive and non-executive members and report to the Board of Directors on their activities.

The Group's risk management policies are established to identify, assess and measure the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. The focus of financial risk management for the Group is ensuring that the Group has adequate economic capital and that the use of and proceeds from its financial assets are sufficient to fund the obligations arising from its deposit base and other contractual liabilities. The goal of the investment management process is to, within the policy guidelines, optimise the after-tax investment income and total return by investing in a diversified portfolio of securities, whilst ensuring that the assets and liabilities are managed on a cash flow and duration basis.

38. Financial risk management (continued)

(a) Overview (continued)

A key aspect in the management of the Group's financial risk is through matching the timing of cash flows from assets and liabilities. The Group actively manages its investments using an approach that balances quality, diversification, liquidity and return. The portfolio is reviewed on a periodic basis, as are investment guidelines and limits, with the objective of ensuring that the Group can always meet its obligations without undue cost and in accordance with the Group's internal and regulatory capital requirements.

The Group Audit Committee is responsible for monitoring compliance with the Group's risk management policies and procedures. The Group Audit Committee is assisted by the Group Internal Audit Department which undertakes cyclical reviews of risk management controls and procedures, the results of which are reported to the heads of the Group Risk and Compliance Unit, the Group Audit Committee and the Board of Directors.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions, products and services offered. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment, in which all employees understand their roles and obligations.

(b) Credit risk:

Credit risk is the risk of financial loss, should any of the Group's customers, clients or market counterparties fail to fulfil their contractual obligations to the Group. Credit risk arises mainly from interbank, commercial and consumer loans and advances, and loan commitments arising from such lending activities, financial guarantees, letters of credit, endorsements and acceptances. The Group is also exposed to other credit risks arising from investments in debt securities and other exposures arising from its trading activities ('trading exposures') including non-equity trading portfolio assets and derivatives as well as settlement balances with market counterparties and reverse repurchase agreements.

Credit risk is the single largest risk for the Group's business; management therefore carefully manages its exposure to credit risk. The credit risk management and control functions are centralised in the credit risk and treasury management teams which reports regularly to the appropriate board committee.

Credit risk measurement

(i) Loans and advances (including loan commitments and guarantees)

The estimation of credit exposure for risk management purposes is complex and requires the use of models, as the exposure varies with changes in market conditions, expected cash flows and the passage of time. The assessment of credit risk of a portfolio of assets entails further estimations as to the likelihood of defaults occurring, of the associated loss ratios and of default correlations between counterparties. The Group measures credit risk using Probability of Default (PD), Exposure at Default (EAD) and Loss Given Default (LGD).

38. Financial risk management (continued)

(b) Credit risk (continued)

Credit risk measurement (continued)

(i) Loans and advances (including loan commitments and guarantees) (continued)

Credit risk grading

The Group uses internal credit risk gradings that reflect its assessment of the credit-worthiness of individual counterparties. Borrower and loan specific information collected at the time of application (such as age, total debt service ratio, type of employment, net worth, and level of collateral for retail exposures; turnover and industry type for wholesale exposures) is fed into this rating model. This is supplemented with external data such as credit bureau scoring information on individual borrowers. In addition, the models enable expert judgement from management to be fed into the final internal credit rating for each exposure. This allows for considerations which may not be captured as part of the other data inputs into the model.

The credit grades are calibrated such that the risk of default increases exponentially at each higher risk grade.

The table below reflects the Group's internal rating classification:

Credit classification	**Credit risk rating at origination**
Excellent	R1
Good	R2
Average	R3
Acceptable	R4
Marginal	R5
Potential problem	R6
Substandard	R7
Non Performing Loan (NPL) doubtful	R8

(ii) Investments

For debt securities in the Treasury portfolio, external rating agency credit grades are used.

These published grades are continuously monitored and updated. The PD's associated with each grade are determined based on realised default rates over the prior 12 months, as published by the rating agency.

The Group's rating method comprises 25 rating levels for instruments not in default (1 to 25) and five default levels (26 to 30). The master scale assigns each rating category a specified range of probabilities of default, which is stable over time. The rating methods are subject to an annual validation and recalibration so that they reflect the latest projections in the light of all actually observed defaults.

38. Financial risk management (continued)

(b) Credit risk (continued)

Credit risk measurement (continued)

(ii) Investments (continued)

The Group's internal rating scale and mapping of external ratings are set out below:

Company Rating	PD range as percentage	S & P	Moody's	Description of the grade
1	0	AAA	Aaa	Investment grade
2	0 - 0.02			
3	0.02 - 0.03	AA+	Aa1	
4	0.03 - 0.05	AA, AA-	Aa2, Aa1	
5	0.05 - 0.08	A+, A	A1, A2	
6	0.08 - 0.13	A-	A3	
7	0.13 - 0.21	BBB+	Baa1	
8	0.21 - 0.31	BBB	Baa2	
9	0.31 - 0.47			
10	0.47 - 0.68	BBB-	Baa3	
11	0.68 - 0.96	BB+	Ba1	Speculative grade
12	0.96 - 1.34	BB	Ba2	
13	1.34 - 1.81			
14	1.81 - 2.4	BB-	Ba3	
15	2.4 - 3.1	B+	B1	
16	3.1 - 3.9			
17	3.9 - 4.86	B	B2	
18	4.86 - 6.04			
19	6.04 - 7.52			
20	7.52 - 9.35	B-	B3	
21	9.35 - 11.64			

38. Financial risk management (continued)

(b) Credit risk (continued)

Credit risk measurement (continued)

(ii) Investments (continued)

The Group's internal rating scale and mapping of external ratings are set out below (continued):

Company Rating	PD range as percentage	S & P	Moody's	Description of the grade
22	11.64 - 14.48	CCC+	Caa1	
23	14.48 - 18.01			
24	18.01 - 22.41	CCC to CC-	Caa2 to Ca	Speculative grade
25	22.41 - 99.99			
26	Imminent insolvency	C, D-I, D-II	C to D	
27	Restructuring			
28	Restructuring with recapitalisation/ partial waiving of claims			
29	Cancellation without insolvency			
30	Insolvency			

Expected credit loss measurement

IFRS 9 outlines a 'three-stage' model for impairment based on changes in credit quality since initial recognition as summarised below:

- A financial instrument that is not credit-impaired on initial recognition is classified in 'Stage 1' and has its credit risk continuously monitored by the Group.
- If a significant increase in credit risk ('SICR') since initial recognition is identified, the financial instrument is moved to 'Stage 2' but is not yet deemed to be credit-impaired.
- Financial instruments in Stage 1 have their ECL measured at an amount equal to the portion of lifetime expected credit losses that result from default events possible within the next 12 months. Instruments in Stages 2 or 3 have their ECL measured based on expected credit losses on a lifetime basis.
- A pervasive concept in measuring ECL in accordance with IFRS 9 is that it should consider forward-looking information. Note 45 includes an explanation of how the Group has incorporated this in its ECL models.

38. Financial risk management (continued)

(b) Credit risk (continued)

Expected credit loss measurement (continued)

IFRS 9 outlines a 'three-stage' model for impairment based on changes in credit quality since initial recognition as summarised below (continued):

- Purchased or originated credit-impaired (POCI) financial assets are those financial assets that are credit- impaired on initial recognition. Their ECL is always measured on a lifetime basis (Stage 3).

Change in credit quality since initial recognition

Stage 1	Stage 2	Stage 3
(Initial recognition)	(Significant increase in credit risk since initial recognition)	(Credit-impaired assets)
12-month expected credit losses	Lifetime expected credit losses	Lifetime expected credit losses

The key judgements and assumptions adopted by the Group in addressing the requirements of the standard are discussed below:

(i) Significant increase in credit risk (SICR)

The Group considers a financial instrument to have experienced a significant increase in credit risk when one or more of the following quantitative, qualitative or backstop criteria have been met:

- Short-term forbearance
- Direct debit cancellation
- Extension to the terms granted
- Previous arrears within the last (12) twelve months.

Quantitative criteria:

Loans

The Group has concluded that delinquency status is the most reliable and appropriate measure as it has not utilised PDs throughout the history of operations. As the Caribbean region has not yet adopted Basel III guidelines, development of PDs has not been required.

Investments

The external credit rating grades will be used as a basis for the assessment of increases in credit risk. Movements within investment grade are not construed as significant increases in credit risk; however, exceptional conditions may be taken into consideration. A movement of two notches will trigger a migration to stage 2.

38. Financial risk management (continued)

(b) Credit risk (continued)

Expected credit loss measurement (continued)

(i) Significant increase in credit risk (SICR) (continued)

Qualitative criteria:

For Corporate and Sovereign portfolios, if the borrower is on the Watchlist and/or the instrument meets one or more of the following criteria:

- Significant increase in credit spread;
- Significant adverse changes in business, financial and/or economic conditions in which the borrower operates;
- Actual or expected forbearance or restructuring;
- Actual or expected significant adverse change in operating results of the borrower;
- Significant change in collateral value (secured facilities only) which is expected to increase risk of default;
- Early signs of cashflow/liquidity problems such as delay in servicing of trade creditors/loans.

The assessment of SICR incorporates forward-looking information and is performed on a quarterly basis at a portfolio level for all Retail financial instruments held by the Group. In relation to Corporate and Sovereign financial instruments, where a Watchlist is used to monitor credit risk, this assessment is performed at the counterparty level and on a periodic basis. The criteria used to identify SICR are monitored and reviewed periodically for appropriateness by the independent Credit Risk team.

Backstop:

A backstop is applied and the financial instrument is considered to have experienced a significant increase in credit risk if the borrower is more than 30 days past due on its contractual payments.

The Group has used the low credit risk exemption for intercompany exposures in the year ended March 31, 2019.

(ii) Definition of default and credit-impaired assets

The Group defines a financial instrument as in default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

The borrower is more than 90 days past due on its contractual payments (other number of days below 90 days in the case of small business and remittance entities in the Group).

38. Financial risk management (continued)

(b) Credit risk (continued)

Expected credit loss measurement (continued)

(ii) Definition of default and credit-impaired assets (continued)

The borrower meets unlikeliness to pay criteria, which indicates the borrower is in significant financial difficulty. These are instances where:

- The borrower is in long-term forbearance;
- The borrower is deceased;
- The borrower is insolvent;
- The borrower is in breach of financial covenant(s);
- An active market for that financial asset has disappeared because of financial difficulties;
- Concessions have been made by the lender relating to the borrower's financial difficulty;
- It is becoming probable that the borrower will enter bankruptcy;
- Financial assets are purchased or originated at a deep discount that reflects the incurred credit losses.

The criteria above have been applied to all financial instruments held by the Group and are consistent with the definition of default used for internal credit risk management purposes. The default definition has been applied consistently to model the PD, EAD and LGD throughout the Group's expected loss calculations.

An instrument is considered to no longer be in default (i.e. to have cured) when it no longer meets any of the default criteria for a consecutive period of three (3) months. This period of three months has been determined based on an analysis which considers the likelihood of a financial instrument returning to default status after cure using different possible cure definitions.

(iii) Measuring ECL - Explanation of inputs, assumptions and estimation techniques

The Expected Credit Loss (ECL) is measured on either a 12-month (12M) or lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. Expected credit losses are the discounted product of the PD, EAD, and LGD, defined as follows:

- The PD represents the likelihood of a borrower defaulting on its financial obligation (as per "Definition of default and credit-impaired" above), either over the next 12 months (12M PD), or over the remaining lifetime (Lifetime PD) of the obligation.

38. Financial risk management (continued)

(b) Credit risk (continued)

Expected credit loss measurement (continued)

(iii) Measuring ECL - Explanation of inputs, assumptions and estimation techniques (continued)

The Expected Credit Loss (ECL) is measured on either a 12-month (12M) or lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. Expected credit losses are the discounted product of the PD, EAD, and LGD, defined as follows (continued):

- EAD is based on the amounts the Group expects to be owed at the time of default, over the next 12 months (12M EAD) or over the remaining lifetime (Lifetime EAD). For example, for a revolving commitment, the Group includes the current drawn balance plus any further amount that is expected to be drawn up to the current contractual limit by the time of default, should it occur.

  LGD represents the Group's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and seniority of claim and availability of collateral or other credit support. LGD is expressed as a percentage loss per unit of exposure at the time of default (EAD).

- The ECL is determined by projecting the PD, LGD and EAD for each future month and for each individual exposure or collective segment. These three components are multiplied together and adjusted for the likelihood of survival (i.e. the exposure has not prepaid or defaulted in an earlier month). This effectively calculates an ECL for each future month, which is then discounted back to the reporting date and summed. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

  The Lifetime PD is developed by applying a maturity profile to the current 12M PD. The maturity profile looks at how defaults develop on a portfolio from the point of initial recognition throughout the lifetime of the loans. The maturity profile is based on historical observed data and is assumed to be the same across all assets within a portfolio and credit grade band. This is supported by historical analysis.

  The 12-month and lifetime EADs are determined based on the expected payment profile, which varies by product type.

- For amortising products and bullet repayment loans, this is based on the contractual repayments owed by the borrower over a 12-month or lifetime basis.

- For revolving products, the exposure at default is predicted by taking current drawn balance and adding a "credit conversion factor" which allows for the expected drawdown of the remaining limit by the time of default. These assumptions vary by product type and current limit utilisation band, based on analysis of the Group's recent default data.

  The 12-month and lifetime LGDs are determined based on the factors which impact the recoveries made post default. These vary by product type.

38. Financial risk management (continued)

(b) Credit risk (continued)

Expected credit loss measurement (continued)

(iii) Measuring ECL - Explanation of inputs, assumptions and estimation techniques (continued)

- For secured products, this is primarily based on collateral type and projected collateral values, historical discounts to market/book values due to forced sales, time to repossession and recovery costs observed.
- For unsecured products, LGD are typically set at product level due to the limited differentiation in recoveries achieved across different borrowers.

The assumptions underlying the ECL calculation, such as the underwriting terms, performance of the portfolio and changes in market conditions are monitored and reviewed on an annual basis.

(iv) Forward-looking information incorporated in the ECL models

The assessment of SICR and the calculation of ECL both incorporate forward-looking information. The Group has performed historical analysis and identified the key economic variables impacting credit risk and expected credit losses for each portfolio.

These economic variables and their associated impact on the PD, EAD and LGD vary by financial instrument. Expert judgment has also been applied in this process. Forecasts of these economic variables (the "base economic scenario") are provided by the Group's Business Advisory Services Unit on a quarterly basis and provide the best estimate view of the economy over the next five years. After five years, to project the economic variables out for the full remaining lifetime of each instrument, a mean reversion approach has been used, which means that economic variables tend to either a long run average rate (e.g. for unemployment) or a long run average growth rate (e.g. GDP) over a period of two to five years. The impact of these economic variables on the PD, EAD and LGD has been determined by performing statistical regression analysis to understand the impact changes in these variables have had historically on default rates and on the components of LGD and EAD.

In addition to the base economic scenario, the Group Risk and Compliance Unit also provides other possible scenarios along with scenario weightings. The number of other scenarios used is set based on the analysis of each major product type to ensure non-linearities are captured. The number of scenarios and their attributes are reassessed at each reporting date.

38. Financial risk management (continued)

(b) Credit risk (continued)

Expected credit loss measurement (continued)

(iv) Forward-looking information incorporated in the ECL models (continued)

At April 1, 2018 and March 31, 2019, the Group concluded that three scenarios appropriately captured non-linearities. The scenario weightings are determined by a combination of statistical analysis and expert credit judgement, taking account of the range of possible outcomes each chosen scenario is representative of. The assessment of SICR is performed using the Lifetime PD under each of the base, and the other scenarios, multiplied by the associated scenario weighting, along with qualitative and backstop indicators. This determines whether the whole financial instrument is in Stage 1, Stage 2, Stage 3 and hence whether 12-month or lifetime ECL should be recorded. Following this assessment, the Group measures ECL as either a probability weighted 12-month ECL (Stage 1), or a probability weighted lifetime ECL (Stages 2 and 3). These probability-weighted ECLs are determined by running each scenario through the relevant ECL model and multiplying it by the appropriate scenario weighting (as opposed to weighting the inputs) or as with any economic forecasts, the projections and likelihoods of occurrence are subject to a high degree of inherent uncertainty and therefore the actual outcomes may be significantly different to those projected. The Group considers these forecasts to represent its best estimate of the possible outcomes and has analysed the non-linearities and asymmetries within the Group's different portfolios to establish that the chosen scenarios are appropriately representative of the range of possible scenarios

Economic variable assumptions

The most significant period-end assumptions used for the ECL estimate as at March 31, 2019 are set out below. The scenarios "base", "upside" and "downside" were used for all portfolios.

The weightings assigned to each economic scenario at March 31, 2019 were as follows:

	Base	**Upside**	**Downside**
All other portfolios	75%	15%	10%

Other forward-looking considerations not otherwise incorporated within the above scenarios, such as the impact of any regulatory, legislative or political changes, have also been considered, but are not deemed to have a material impact and therefore no adjustment has been made to the ECL for such factors. This is reviewed and monitored for appropriateness on a quarterly basis.

38. Financial risk management (continued)

(b) Credit risk (continued)

Expected credit loss measurement (continued)

(v) Grouping of instruments for losses measured on a collective basis

For expected credit loss provisions modelled on a collective basis, a grouping of exposures is performed on the basis of shared risk characteristics, such that risk exposures within a group are homogeneous. In performing this grouping, there must be sufficient information for the group to be statistically credible. Where sufficient information is not available internally, the Group has considered benchmarking internal/external supplementary data to use for modelling purposes.

The appropriateness of groupings is monitored and reviewed on a periodic basis by the Group Risk and Compliance Unit.

There was no change in the nature of exposure to credit risk to which the Group is subjected or its approach to measuring and managing the risk during the year.

Management of credit risk

The Group manages credit risk associated with loans by evaluating the borrowers' ability to repay loans, ensuring that:

(i) where collateral is held against an outstanding loan, it is sufficiently insured;

(ii) loan loss provisioning is in keeping with regulatory guidelines;

(iii) loans are not concentrated in one individual, company or group; and

(iv) strong underwriting and credit administration systems are in place.

Counterparty credit risk

With the exception of Government of Jamaica securities, there is no significant concentration of credit risk related to liquid funds and debt securities. Further, locally issued Government of Jamaica notes are held with the Central Securities Depository (CSD), while global bonds issued by the Government of Jamaica and other investment assets are held with financial institutions which management regards as reputable and sound. These entities are regularly reviewed and risk rated by the Group's Risk and Compliance Unit.

38. Financial risk management (continued)

(b) Credit risk (continued)

Expected credit loss measurement (continued)

(v) Grouping of instruments for losses measured on a collective basis (continued)

Credits to borrowers

Credit facilities to customers and other borrowers primarily comprise of mortgage and other loans. The management of this type of credit risk is carried out through the use of a tiered approval framework within the Credit Risk Management Unit, up to the Loan Sub-Committee of the Board. This framework allows for the evaluation of proposed credits, and the formal approval of those commitments. The Board of Directors has the responsibility for the oversight of the Group's credit risk and the development of credit policies.

Loans with renegotiated terms

Loans with renegotiated terms are loans that have been restructured due to deterioration in the customers' financial position and where the Group has made concessions that it would not otherwise consider. Once the loan is restructured, it remains in this category irrespective of satisfactory performance after restructuring. At March 31, 2019, the outstanding principal balances on loans that were restructured for the Group amounted to $3,202,644,000 (2018: $3,301,300,000).

Impaired credits to borrowers

Impaired credits to customers and other borrowers are credits for which management determines that it is probable that it will be unable to collect all principal and interest due according to the contractual terms of the credit.

Past due but unimpaired credits to borrowers

These are credits where contractual interest or principal payments are past due but they are not considered impaired based on the quality and value of security available or the stage of collection of amounts owed by debtors.

Allowances for impairment

The Group has established an allowance for impairment losses that represents its estimate of incurred losses on loans and receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loan loss allowance established on a portfolio basis, based on requirements of the Bank of Jamaica and/or Cayman Islands Monetary Authority (CIMA).

38. Financial risk management (continued)

(b) Credit risk (continued)

Expected credit loss measurement (continued)

(v) Grouping of instruments for losses measured on a collective basis (continued)

Write-off policy

The Group writes off credits to borrowers (and any related allowances for impairment losses) when it determines that the balances are uncollectible. This determination is usually made after considering information such as changes in the borrower's financial position, or that proceeds from collateral will not be sufficient to pay back the entire exposure. Credits to borrowers for write-off must be submitted to the Credit Committee and/or the Board of Directors for approval.

Concentration by class and geographical area

The Group limits its exposure to credit risk by investing only with counterparties that have high credit ratings and in Government of Jamaica securities. Therefore, management does not expect any counterparty to fail to meet its obligations.

The Group has documented investment policies in place, which guide in managing credit risk on cash and cash equivalent, securities purchased under resale agreements, investment securities, loans, and a portion of other assets (excluding inventory). The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties based on their credit ratings and limits set.

The Group's and the Company's significant concentration of credit exposure, as at the reporting date, by geographic area (based on the entity's country of ownership) were as follows:

	Group		Company	
	2019	2018	2019	2018
	$'000	$'000	$'000	$'000
Jamaica	176,182,399	167,408,539	429,610	1,030,896
United States of America	10,229,812	8,506,124	-	-
United Kingdom	6,284,653	12,206,143	-	-
Canada	2,221,586	1,285,500	-	-
Ghana	5,647	1,768	-	-
Barbados	43,775	357,290	-	-
Bahamas	462,275	259,485	-	-
Turks and Caicos Islands	21,787	17,544	-	-
Cayman Islands	5,798,825	5,966,915	-	-
Trinidad & Tobago	373,253	382,400	-	-
Dominican Republic	633,244	1,510,684	-	-
Phillipines	-	13,734	-	-
	202,257,256	197,916,126	429,610	1,030,896

38. Financial risk management (continued)

(b) Credit risk (continued)

Expected credit loss measurement (continued)

(v) Grouping of instruments for losses measured on a collective basis (continued)

Credit quality of loans

The credit quality of the Group's and Company's loans are summarised as follows:

	Group		Company	
	2019	2018	2019	2018
	$'000	$'000	$'000	$'000
Neither past due nor impaired	82,526,947	69,042,100	137,154	600,000
Past due but not impaired:				
Below 30 days	5,190,685	9,991,618	-	-
30 to 60 days	5,139,424	4,402,140	-	-
60 to 90 days	419,186	1,737,047	-	-
Individually impaired:				
90-180 days	1,270,089	1,553,285	-	-
180-365 days	1,518,775	722,959	-	-
12-18 months	847,408	358,929	-	-
18 months and over	2,076,043	1,096,910	-	-
	98,988,557	88,904,988	137,154	600,000
Less allowance for losses (note 12)	(1,481,477)	(1,385,577)	-	-
	97,507,080	87,519,411	137,154	600,000

Exposure to credit risk

Credit risk exposure is the amount of loss that the Group would suffer if all counterparties to which the Group is exposed were to default at once. This is represented substantially by the carrying amount of financial assets shown on the statements of financial position, without taking account of the value of any collateral held.

There are no off-balance-sheet assets and the maximum exposure to credit risk is represented by the amount of financial assets in the statements of financial position.

38. Financial risk management (continued)

(b) Credit risk (continued)

Expected credit loss measurement (continued)

(v) Grouping of instruments for losses measured on a collective basis (continued)

Exposure to credit risk (continued)

The following table contains an analysis of the credit risk exposure of financial instruments for which an ECL allowance is recognised. The gross carrying amount of financial assets below also represents the Group's maximum exposure to credit risk on these assets.

	Loans				
	2019				2018
	ECL staging				
Credit grade	**Stage 1** 12-month ECL	**Stage 2** Lifetime ECL	**Stage 3** Lifetime ECL	**Total**	**Total**
	$'000	$'000	$'000	$'000	$'000
Standard monitoring	81,096,512	80,972	-	81,177,484	79,033,718
Special monitoring	-	13,346,329	-	13,346,329	4,402,140
Default	-	-	4,464,744	4,464,744	5,469,130
Gross carrying amount	81,096,512	13,427,301	4,464,744	98,988,557	88,904,988
Loss allowance	(574,854)	(207,643)	(698,980)	(1,481,477)	(1,385,577)
Carrying amount	80,521,658	13,219,658	3,765,764	97,507,080	87,519,411

Information on how the Expected Credit Loss (ECL) is measured and how the three stages above are determined is included in note 38(b)(iii) 'Expected credit loss measurement'.

The maximum exposure to credit risk for financial assets not subject to impairment is the carrying amount of the financial assets classified as FVPL (see note 8).

Collateral and other credit enhancements held against financial assets

The Group holds collateral against credits to borrowers primarily in the form of mortgage interests over property. Estimates of fair values are based on value of collateral assessed at the time of borrowing and are generally not updated except when credits to borrowers are individually assessed as impaired. Other forms of collateral used by the indirect subsidiaries include, but are not limited to, insurance policy, motor vehicle, personal or corporate guarantees to secure loans.

38. Financial risk management (continued)

(b) Credit risk (continued)

Expected credit loss measurement (continued)

(v) Grouping of instruments for losses measured on a collective basis (continued)

Collateral and other credit enhancements held against financial assets (continued)

Collateral generally is not held over balances with banks or brokers/dealers, except when securities are held under resale agreements. Collateral is generally not held against investment securities.

The fair value of collateral held against loans to borrowers and others is shown below:

	Group			
	Loans and advances		Resale agreements	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Against neither past due nor impaired financial assets:				
Properties	191,421,690	179,251,744	-	-
Debt securities	-	-	5,897,036	5,862,324
Household assets	3,783,770	4,378,971	-	-
Liens on motor vehicles	4,586,939	4,003,383	-	-
Hypothecation of deposits	949,141	1,115,441	-	-
Other	49,497	278,494	-	-
Subtotal	200,791,037	189,028,033	5,897,036	5,862,324
Against past due but not impaired financial assets:				
Properties	40,058,309	43,922,504	-	-
Household assets	1,328,328	135,503	-	-
Liens on motor vehicles	804,414	205,457	-	-
Other	19,076	1,427	-	-
Subtotal	42,210,127	44,264,891	-	-
Against past due and impaired financial assets:				
Properties	11,010,047	10,447,043	-	-
Household assets	548,293	297,111	-	-
Liens on motor vehicles	341,098	138,257	-	-
Business equipment	25,761	12,661	-	-
Other	5,964	5,642	-	-
Subtotal	11,931,163	10,900,714	-	-
Grand total	254,932,327	244,193,638	5,897,036	5,862,324

38. Financial risk management (continued)

(b) Credit risk (continued)

Expected credit loss measurement (continued)

(v) Grouping of instruments for losses measured on a collective basis (continued)

Collateral and other credit enhancements held against financial assets (continued)

The Group employs a range of policies and practices to mitigate credit risk. The most common of these is accepting collateral for funds advanced. The Group has internal policies on the acceptability of specific classes of collateral or credit risk mitigation.

The Group prepares a valuation of the collateral obtained as part of the loan origination process. This assessment is reviewed periodically. The principal collateral types for loans and advances are:

- Mortgages over residential properties;
- Margin agreement for derivatives, for which the Group has also entered into master netting agreements;
- Charges over business assets such as premises, inventory and accounts receivable; and
- Charges over financial instruments such as debt securities and equities.

Longer-term finance and lending to corporate entities are generally secured; revolving individual credit facilities are generally unsecured.

Collateral held as security for financial assets other than loans and advances depends on the nature of the instrument. Debt securities, treasury and other eligible bills are generally unsecured, with the exception of asset-backed securities and similar instruments, which are secured by portfolios of financial instruments.

The Group's policies regarding obtaining collateral have not significantly changed during the reporting period and there has been no significant change in the overall quality of the collateral held by the Group since the prior period.

38. Financial risk management (continued)

(b) Credit risk (continued)

Expected credit loss measurement (continued)

(v) Grouping of instruments for losses measured on a collective basis (continued)

Collateral and other credit enhancements held against financial assets (continued)

The Group closely monitors collateral held for financial assets considered to be credit-impaired, as it becomes more likely that the Group will take possession of collateral to mitigate potential credit losses. Financial assets that are credit-impaired and related collateral held in order to mitigate potential losses are shown below:

March 31, 2019	Gross exposure	Impairment allowance	Carrying amount	Fair value of collateral held
Credit-impaired assets	$'000	$'000	$'000	$'000
Loans				
- Credit cards	102,280	(30,628)	71,652	-
- Term loans	658,402	(290,410)	367,992	457,777
- Mortgages	3,651,939	(412,179)	3,239,760	10,581,852
- Other	522,852	(14,883)	507,969	510,403
Total credit-impaired assets	**4,935,473**	**(748,100)**	**4,187,373**	**11,550,032**

Loss allowance

Loss allowance recognised in revenue and expenses during the period is summarised below:

	$'000
Loan (note 12)	299,578
Investments (note 8)	21,422
Other financial assets	36,443
	357,443

The loss allowance recognised in the period is impacted by a variety of factors, as described below:

- Transfers between Stage 1 and Stages 2 or 3 due to financial instruments experiencing significant increases (or decreases) of credit risk or becoming credit-impaired in the period, and the consequent "step up" (or "step down") between 12-month and Lifetime ECL;
- Additional allowances for new financial instruments recognised during the period, as well as releases for financial instruments de-recognised in the period;
- Discount unwind within ECL due to the passage of time, as ECL is measured on a present value basis;

38. Financial risk management (continued)

(b) Credit risk (continued)

Expected credit loss measurement (continued)

(v) Grouping of instruments for losses measured on a collective basis (continued)

Loss allowance (continued)

The loss allowance recognised in the period is impacted by a variety of factors, as described below (continued):

- Foreign exchange retranslations for assets denominated in foreign currencies and other movements; and
- Financial assets derecognised during the period and write-offs of allowances related to assets that were written off during the period (see note 45).

The following tables explain the changes in the loss allowance between the beginning and the end of the annual period due to these factors:

Loans	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
	$'000	$'000	$'000	$'000
Loss allowance as at April 1, 2018	415,250	237,561	985,218	1,638,029
Movement within P&L				
Transfers:				
Transfer from Stage 1 to Stage 2	(13,378)	47,654	-	34,276
Transfer from Stage 1 to Stage 3	(3,521)	-	70,367	66,846
Transfer from Stage 2 to Stage 1	16,709	(59,793)	-	(43,084)
Transfer from Stage 2 to Stage 3	-	(31,234)	182,553	151,319
Transfer from Stage 3 to Stage 2	-	9,424	(57,527)	(48,103)
Transfer from Stage 3 to Stage 1	494	-	(13,642)	(13,148)
New financial assets originated or purchased	211,649	85,711	177,111	474,471
Financial assets derecognised during the period	(44,489)	(80,916)	(187,640)	(313,045)
Other movements	(7,815)	-	(2,139)	(9,954)
Loss allowance recognised in profit or loss (note 12)	159,649	(29,154)	169,083	299,578
Other movements:				
Write-offs against provision (note 12)	(45)	(764)	(455,321)	(456,130)
Loss allowance at March 31, 2019	574,854	207,643	698,980	1,481,477

38. Financial risk management (continued)

(b) Credit risk (continued)

Expected credit loss measurement (continued)

(v) Grouping of instruments for losses measured on a collective basis (continued)

Loss allowance (continued)

Significant changes in the gross carrying amount of financial assets that contributed to changes in the loss allowance were as follows:

- The high volume of new loans originated during the period, aligned with the Group's stategy.
- The write-off of loans with a total gross carrying amount of $526,914,000 resulted in the reduction of the Stage 3 loss allowance by the same amount.

The following table further explains changes in the gross carrying amount of the loans portfolio, loan commitments and credit cards to help explain their significance to the changes in the loss allowance for the same portfolio as discussed above:

	Stage 1	Stage 2	Stage 3	
Loans	**12-month ECL**	**Lifetime ECL**	**Lifetime ECL**	**Total**
	$'000	**$'000**	**$'000**	**$'000**
Gross carrying amount as at April 1, 2018	75,472,117	14,789,599	3,697,219	93,958,935
Transfers:				
Transfer from Stage 1 to Stage 2	(2,109,755)	2,042,063	-	(67,692)
Transfer from Stage 1 to Stage 3	(576,671)	-	564,018	(12,653)
Transfer from Stage 2 to Stage 3	-	(1,624,254)	1,553,603	(70,651)
Transfer from Stage 3 to Stage 2	-	639,566	(731,342)	(91,776)
Transfer from Stage 3 to Stage 1	54,209	-	(86,240)	(32,031)
Transfer from Stage 2 to Stage 1	3,289,125	(2,879,148)	-	409,977
New financial assets originated or purchased	20,536,728	4,867,216	845,860	26,249,804
Financial assets derecognised during the period	(9,897,044)	(4,380,390)	(838,509)	(15,115,943)
Write-offs	(1,413)	(38,039)	(526,914)	(566,366)
Gross carrying amount as at March 31, 2019	86,767,296	13,416,613	4,477,695	104,661,604

The total amount of undiscounted ECL at initial recognition for purchased or originated credit-impaired financial assets recognised during the period was $Nil (2018: $Nil).

38. Financial risk management (continued)

(b) Credit risk (continued)

Expected credit loss measurement (continued)

(v) Grouping of instruments for losses measured on a collective basis (continued)

At March 31, 2019, the Group had investments and securities purchased under resale agreement at:

(i) Fair Value Through Other Comprehensive Income (FVOCI) of $55,360,307,000 (see note 8) divided between Investment grade and Speculative grade, had expected credit losses of $189,174,000.

(ii) Amortised cost in relation to debt securities of $14,843,733,000 and securities purchased under resale agreements of $5,255,896,000 (see notes 8 and 7) respectively, had expected credit losses of $22,229,000 (note 8) and $1,155,000 (note 7) respectively.

Write-off policy

The Group writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include (i) ceasing enforcement activity and (ii) where the Group's recovery method is foreclosing on collateral and the value of the collateral is such that there is no reasonable expectation of recovering in full.

The Group may write-off financial assets that are still subject to enforcement activity. The outstanding contractual amounts of such assets written off during the year ended March 31, 2019 was $456,130,000. The Group still seeks to recover amounts it is legally owed in full, but which have been partially written off due to no reasonable expectation of full recovery.

Modification of financial assets

The Group sometimes modifies the terms of loans provided to customers due to commercial renegotiations, or for distressed loans, with a view to maximising recovery.

Such restructuring activities include extended payment term arrangements, payment holidays and payment forgiveness. Restructuring policies and practices are based on indicators or criteria which, in the judgement of management, indicate that payment will most likely continue. These policies are kept under continuous review. Restructuring is most commonly applied to term loans.

38. Financial risk management (continued)

(b) Credit risk (continued)

Expected credit loss measurement (continued)

(v) Grouping of instruments for losses measured on a collective basis (continued)

Modification of financial assets (continued)

The risk of default of such assets after modification is assessed at the reporting date and compared with the risk under the original terms at initial recognition, when the modification is not substantial and so does not result in derecognition of the original asset (note 44). The Group monitors the subsequent performance of modified assets. The Group may determine that the credit risk has significantly improved after restructuring, so that the assets are moved from Stage 3 or Stage 2 (Lifetime ECL) to Stage 1 (12-month ECL). This is only the case for assets which have performed in accordance with the new terms for up to three consecutive months.

The Group continues to monitor if there is a subsequent significant increase in credit risk in relation to such assets through the use of specific models for modified assets.

(c) Liquidity risk

Liquidity risk is the potential for loss to the Group arising from either its inability to meet its obligations or to fund increases in assets as they fall due without incurring unacceptable costs or losses. Liquidity risk is broken down into two primary categories:

(i) *Funding liquidity risk* - the risk that the Group will not be able to meet the expected and unexpected current and future cash flows and collateral needs without affecting either its daily operations or its financial condition; and

(ii) *Asset/market liquidity risk* - is the Group's inability to liquidate assets in an orderly fashion without incurring loss on liquidation. This usually stems from illiquid markets or market disruptions.

Management of liquidity risk

The key measurement used for assessing liquidity risk is the ratio of liquid assets (as defined) to total liabilities. The liquidity ratios at the reporting date for the Group are as follows:

	Requirement		**Actual**	
	2019	2018	2019	2018
	%	%	%	%
Jamaica Dollar	23	26	28	29
United States of America Dollar	29	29	33	49
Canadian Dollar	29	29	74	84
Pound Sterling	29	29	36	42

38. Financial risk management (continued)

(c) Liquidity risk (continued)

Management of liquidity risk (continued)

There was no change in the nature of exposure to liquidity risk which the Group is subjected to or its approach to measuring and managing the risk during the year.

An analysis of the undiscounted cash flows of the Group's financial liabilities and unrecognised loan commitments on the basis of their earliest possible contractual maturity is presented below. The analysis provided is by estimating timing of the amounts recognised in the statement of financial position. The Group does not expect that its customers will demand the payment of funds at the earliest date possible.

	Group						
	2019						
		Contractual undiscounted cash flows					
	Carrying amount $'000	Total cash outflow $'000	Less than 3 months $'000	3-12 months $'000	1-2 years $'000	2-5 years $'000	More than 5 years $'000
Bank overdraft	7,311	7,311	7,311	-	-	-	-
Due to specialised financial institutions	18,730,994	31,467,343	18,992	56,788	72,287	35,818	31,283,458
Customer deposits	129,492,554	131,459,446	114,200,840	13,738,225	1,951,443	1,568,938	-
Due to related entities	175,159	175,159	175,159	-	-	-	-
Securities sold under repurchase agreements	17,240,387	17,357,640	13,353,279	3,989,180	15,181	-	-
Other payables	4,945,740	4,945,740	4,899,052	46,688	-	-	-
Margin loan payable	898,159	903,548	903,548	-	-	-	-
Long-term loans	1,647,961	1,647,961	307,838	427,814	603,899	308,410	-
	173,138,265	187,964,148	133,866,019	18,258,695	2,642,810	1,913,166	31,283,458
Unrecognised loan commitments	-	8,028,457	8,028,457	-	-	-	-
Insurance contract liabilities	1,900,989	1,978,677	457,234	389,812	548,462	307,439	275,730
	175,039,254	197,971,282	142,351,710	18,648,507	3,191,272,	2,220,605	31,559,188

	2018						
		Contractual undiscounted cash flows					
	Carrying amount $'000	Total cash outflow $'000	Less than 3 months $'000	3-12 months $'000	1-2 years $'000	2-5 years $'000	More than 5 years $'000
Bank overdraft	9,197	9,197	9,197	-	-	-	-
Due to specialised financial institutions	17,584,035	32,187,538	20,746	63,119	102,800	113,581	31,887,292
Customer deposits	118,070,760	118,437,998	103,374,669	13,480,971	1,338,232	244,126	-
Due to related entities	184,392	184,392	184,392	-	-	-	-
Securities sold under repurchase agreements	24,270,666	24,452,592	20,663,737	3,428,806	318,000	42,049	-
Other payables	4,528,776	4,528,776	4,449,302	79,474	-	-	-
Margin loan payable	2,506,396	2,506,396	2,506,396	-	-	-	-
Long-term loans	1,083,582	1,183,418	648,745	71,078	211,266	252,329	-
	168,237,804	183,490,307	131,857,184	17,123,448	1,970,298	652,085	31,887,292
Unrecognised loan commitments	-	6,578,164	6,578,164	-	-	-	-
Insurance contract liabilities	2,300,901	2,301,901	1,066,169	580,991	354,518	300,223	-
	170,538,705	192,370,372	139,501,517	17,704,439	2,324,816	952,308	31,887,292

38. Financial risk management (continued)

(c) Liquidity risk (continued)

For the Company, an analysis of the contractual maturities of the financial liabilities at the reporting date indicates that it is comprised of other payable and amounts due to related entities totaling $331,192,000 (2018: $352,718,000). These amounts, which are reported on the statement of financial position, are payable within three months of the reporting date.

(d) Market risk:

Market risk is the risk that changes in market prices, such as interest rate, foreign exchange rates and equity prices will affect the value of the Group's assets, the amount of its liabilities and/or the Group's income. Market risk arises in the Group due to fluctuations in the value of liabilities and the value of investments held. The Group is exposed to market risk on all of its financial assets.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Management of market risk

The Board Finance Committee manages market risks in accordance with its Investment Policy. The Committee reports regularly to the Board of Directors on its activities. For each of the major components of market risk, the Group has policies and procedures in place which detail how each risk should be monitored and managed. The management of each of these major components of risk and the exposure of the Group at the reporting date to each major risk are addressed below.

There was no change in the nature of exposure to market risk which the Group is subjected to, or its approach to measuring and managing the risk during the year.

(i) Interest rate risk:

Interest rate risk is the risk that the value or cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Group manages this risk by regularly re-evaluating the yield, duration and modified duration on given financial instruments.

The interest rate risk analysis shows significant excess of short-term interest-bearing liabilities over short-term interest-earning assets. This is a direct consequence of the nature of the Group's business, which involves granting long-term loans (up to 30 years) funded by customers' deposit which are withdrawable on demand or at short notice. The Group may, provided that one month's notice is given, change the interest rates on variable rate mortgages. In addition, mortgages may be called after six months' notice. Customer deposits have been stable and are expected to remain so.

The Group's deposit-taking indirect subsidiaries manage risk by monitoring its customers' deposits, taking steps to ensure its stability, and by adjusting interest rates to the extent practicable within the overall policy of provision of banking and financial services.

38. Financial risk management (continued)

(d) Market risk (continued):

Management of market risk (continued)

(i) Interest rate risk (continued):

The following table summarises the carrying amount of recognisied assets and liabilities to arrive at the Group's interest rate gap based on the earlier of contractual repricing or maturity dates. There were no off-balance sheet financial instruments giving rise to interest rate risk.

	Group						
	2019						
	Immediately rate sensitive	Within 3 months	3 to 12 months	Over 1 year	Non-rate sensitive	Total	Weighted average interest rate
	$'000	$'000	$'000	$'000	$'000	$'000	%
Assets							
Cash and cash equivalents	2,164,434	158,703	11,989	-	21,795,030	24,130,156	3.1
Securities purchased under resale agreements	-	5,031,427	224,469	-	6,460	5,262,356	4.1
Investments	-	13,512,992	7,854,136	48,673,218	1,724,379	71,764,725	5.0
Loans	-	94,117,371	1,230,163	1,669,811	489,735	97,507,080	8.0
Other assets	-	885	-	-	3,984,599	3,985,484	3.0
Total financial assets	2,164,434	112,821,378	9,320,757	50,343,029	28,000,203	202,649,801	
Liabilities							
Bank overdraft	7,311	-	-	-	-	7,311	7.0
Due to specialised financial institutions	-	18,630,994	50,000	50,000	-	18,730,994	4.2
Customer deposits	87,437,553	25,776,233	13,644,397	1,080,093	1,554,278	129,492,554	1.0
Due to related entities	-	-	-	-	175,159	175,159	-
Securities sold under repurchase agreements	-	13,271,567	3,909,971	-	58,849	17,240,387	2.7
Other payables	-	13,796	65,501	-	4,866,443	4,945,740	-
Margin loan payable	-	898,159	-	-	-	898,159	2.3
Long-term loans	-	261,490	704,092	682,278	101	1,647,961	9.0
Total financial liabilities	87,444,864	58,852,239	18,373,961	1,812,371	6,654,830	173,138,265	
On-statement of financial position gap, being total interest rate sensitivity gap	(85,280,430)	53,969,139	(9,053,204)	48,530,658	21,345,373	29,511,536	
Cumulative gap	(85,280,430)	(31,311,291)	(40,364,495)	8,166,163	29,511,536	-	

	2018						
	Immediately rate sensitive	Within 3 months	3 to 12 months	Over 1 year	Non-rate sensitive	Total	Weighted average interest rate
	$'000	$'000	$'000	$'000	$'000	$'000	%
Assets							
Cash and cash equivalents	4,076,012	602,597	17,754	-	23,168,868	27,865,231	1.4
Securities purchased under resale agreements	-	4,932,579	425,963	-	11,952	5,370,494	3.5
Investments	-	30,933,026	22,880,512	18,806,846	1,752,522	74,372,906	5.9
Loans	-	5,787,708	1,753,195	79,492,379	486,129	87,519,411	7.4
Other assets	-	-	-	-	3,201,362	3,201,362	-
Total financial assets	4,076,012	42,255,910	25,077,424	98,299,225	28,620,833	198,329,404	

38. Financial risk management (continued)

(d) Market risk (continued):

Management of market risk (continued)

(i) Interest rate risk (continued):

	Group 2018						
	Immediately rate sensitive	Within 3 months	3 to 12 months	Over 1 year	Non-rate sensitive	Total	Weighted average interest rate
	$'000	$'000	$'000	$'000	$'000	$'000	%
Total financial assets	4,076,012	42,255,910	25,077,424	98,299,225	28,620,833	198,329,404	
Liabilities							
Bank overdraft	9,197	-	-	-	-	9,197	3.5
Due to specialised financial institutions	-	17,415,069	50,900	118,066	-	17,584,035	4.2
Customer deposits	80,103,187	24,572,530	11,800,723	1,320,894	273,426	118,070,760	1.0
Due to related entities	-	-	-	-	184,392	184,392	-
Securities sold under repurchase agreements	-	20,505,909	3,381,527	300,000	83,230	24,270,666	3.9
Margin loan payable	-	2,506,396	-	-	-	2,506,396	4.2
Other payables	-	-	-	-	4,528,776	4,528,776	-
Long-term loans	-	378,253	488,721	216,608	-	1,083,582	9.0
Total financial liabilities	80,112,384	65,378,157	15,721,871	1,955,568	5,069,824	168,237,804	
On-statement of financial position gap, being total interest rate sensitivity gap	(76,036,372)	(23,122,247)	9,355,553	96,343,657	23,551,009	30,091,600	
Cumulative gap	(76,036,372)	(99,158,619)	(89,803,066)	6,540,591	30,091,600	-	

	Company 2019				
	Immediately rate sensitive	Over 1 year	Non-rate sensitive	Total	Weighted average interest rate
	$'000	$'000	$'000	$'000	%
Assets					
Cash and cash equivalents	25,192	-		25,192	-
Due from related entities	-	-	215,074	215,074	-
Loans	-	132,507	4,647	137,154	8.0
Other assets	-	-	52,190	52,190	-
Total financial assets	25,192	132,507	271,911	429,610	-
Liabilities					
Due to related entities	-	-	175,159	175,159	-
Other payables	-	-	156,032	156,032	-
Total financial liabilities	-	-	331,191	331,191	
On statement of financial position gap, being total interest rate sensitivity gap	25,192	132,507	(59,280)	98,419	
Cumulative gap	25,192	157,699	98,419	-	

38. Financial risk management (continued)

(d) Market risk (continued):

Management of market risk (continued)

(i) Interest rate risk (continued):

	Company				
	2018				
	Immediately rate sensitive	Within 3 months	Non-rate sensitive	Total	Weighted average interest rate
	$'000	$'000	$'000	$'000	%
Assets					
Cash and cash equivalents	187,559	6,828	-	194,387	0.72
Due from related entities	-	-	208,999	208,999	-
Loans	-	600,000	-	600,000	9.20
Other assets	-	-	27,510	27,510	-
Total financial assets	187,559	606,828	236,509	1,030,896	
Liabilities					
Due to related entities	-	-	184,392	184,392	-
Other payables	-	-	168,326	168,326	-
Total financial liabilities	-	-	352,718	352,718	
On statement of financial position gap, being total interest rate sensitivity gap	187,559	606,828	(116,209)	678,178	
Cumulative gap	187,559	794,387	678,178	-	

Sensitivity to interest rate movements:

Fair value sensitivity for fixed rate instrument:

The sensitivity of the Group's financial assets and liabilities to interest rate risk is monitored using the following scenarios:

	Increase in interest rate		**Decrease in interest rate**	
	Basis points		Basis points	
	2019	**2018**	**2019**	**2018**
J$ denominated instruments	100	100	100	100
US$ denominated instruments	100	200	100	50

An increase/decrease, using the above scenarios, would adjust reserves and surplus by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

38. Financial risk management (continued)

(d) Market risk (continued):

(i) Interest rate risk (continued):

Sensitivity to interest rate movements (continued):

Fair value sensitivity for fixed rate instrument (continued):

	Group			
	2019		2018	
	Increase	Decrease	Increase	Decrease
	$'000	$'000	$'000	$'000
Other comprehensive income	(2,364,715)	2,672,324	(1,011,691)	1,355,703

	Company			
	2019		2018	
	Increase	Decrease	Increase	Decrease
	$'000	$'000	$'000	$'000
Surplus	1,058	(1,058)	7,924	(7,924)

Cash flow sensitivity analysis for variable rate instruments:

An increase/decrease using the above scenarios would adjust surplus by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	Group	
	Effect on surplus	
	Increase	Decrease
	$'000	$'000
March 31, 2019		
Variable rate instruments	104,948	(104,948)
March 31, 2018		
Variable rate instruments	141,529	(140,911)

The Company does not hold any variable rate instruments.

38. Financial risk management (continued)

(d) Market risk (continued):

(ii) Equity price risk:

Equity price risk arises from available-for-sale 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 maximise risk-adjusted investment returns.

A 10% (2018: 15%) increase or decrease in the market price at the reporting date would result in an increase or an equal decrease, respectively, in reserves for the Group of $66,071,200 (2018: $91,839,600).

The Company does not hold any equity securities.

(iii) Foreign currency risk:

Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

The Group incurs foreign currency risk on transactions that are denominated in a currency other than the Jamaica dollar. The main currencies giving rise to this risk are United States dollars, Canadian dollars, Cayman dollars and Pound sterling.

The Group ensures that the net exposure is kept to an acceptable level by daily monitoring its cost of funds against market price so as to ensure that a consistent positive spread is maintained between the buying and selling price of the traded currencies. Foreign currency liabilities, generally, are backed by foreign currency assets.

Net foreign currency assets/(liabilities) were as follows:

	Group	
	2019	2018
	'000	'000
United States dollars	77,261	30,713
Canadian dollars	(5,999)	(692)
Pound sterling	(38,806)	6,455
Euro	292	184
Cayman dollars	1,710	8,239
Trinidad & Tobago dollars	2,183	-

The Bank of Jamaica's weighted average exchange rates ruling at the year-end are shown at note 45(q)(i).

38. Financial risk management (continued)

(d) Market risk (continued):

(iii) Foreign currency risk (continued):

Sensitivity analysis:

A 6% (2018: 4%) weakening of the Jamaica dollar against the various currencies at March 31 would have increased operating surplus by the amounts shown. A 4% (2018: 2%) strengthening of the Jamaica dollar against these currencies at March 31 would have had the opposite effect as shown. The analysis assumes that all other variables, in particular, interest rates, remain constant. The analysis was done on the same basis for 2018.

	Group			
	2019		2018	
	6%	4%	4%	2%
	’000	’000	’000	’000
United States dollars	579,457	(386,305)	153,872	(77,090)
Canadian dollars	(33,475)	22,317	(2,671)	1,336
Pounds sterling	(383,016)	255,344	45,637	(22,851)
Euro	2,424	(1,615)	1,137	(569)
Cayman dollars	15,783	(10,517)	50,505	(25,211)
Trinidad & Tobago dollars	2,445	(1,637)	-	-

The Company has no exposure to foreign currency risk as it has no foreign currency assets or liabilities.

(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, natural and man-made disasters as well as generally accepted standards of corporate behaviour.

The Group’s objective is to manage operational risk to achieve the optimal balance between the Group’s financial viability and its performance against the requirements of an effective operational risk management framework.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to the Group Risk and Compliance Unit centrally and in daily operations through the senior management team.

There was no change to the Group’s approach to operational risk management during the year.

38. Financial risk management (continued)

(e) Operational risk (continued):

This responsibility is supported by the development of overall Group standards for the management of operational risk in the following areas:

- risk policies/guidelines for assisting management to understand the ways in which risks can be measured, managed, identified and controlled;
- requirements 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;
- 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 actions;
- development of business continuity programmes including contingency plans, testing and training;
- training and professional development;
- ethical and business standards; and
- risk mitigation, including insurance where this is effective.

The Group Risk and Compliance Unit conducts frequent operational risk reviews of business lines in keeping with established policies and is supported with independent reviews undertaken by Group Internal Audit. The results of all operational risk reviews are discussed with the management of the business unit to which they relate and the recommendations and required actions agreed. Summaries of the operational risk reviews are submitted to the Group Audit Committee and to the Board of Directors.

(f) Capital management:

Regulatory capital

General

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the Group. This is supported by the annual Group Internal Capital Adequacy Assessment Process which seeks to ensure that all subsidiaries, on a stand-alone and on a Group basis, are adequately capitalised.

Banking indirect subsidiary

The main regulator is the Bank of Jamaica, which monitors the capital requirements for JN Bank Limited. In implementing current capital requirements, the Bank of Jamaica requires the Bank to maintain a prescribed ratio of total capital to total risk weighted assets of 10%. The total regulatory capital expressed as a percentage of the total risk weighted assets at March 31, 2019 was 14% (2018: 18%).

38. Financial risk management (continued)

(f) Capital management (continued):

Regulatory capital (continued)

General insurance indirect subsidiary

General insurers must maintain at least a minimum level of assets, capital and surplus to meet its liabilities as required by its regulator, the Financial Services Commission (FSC). The FSC requires the ratio of available assets to required assets to be 250% under the terms of the Minimum Capital Test (MCT).

The MCT ratio attained by the entity at December 31, 2018 was 381% (December 31, 2017: 411%).

Life insurance indirect subsidiary

The entity's regulator is the FSC which monitors the capital requirements for the subsidiary. In implementing current capital requirements, the FSC requires the entity to maintain a minimum capital requirement of $150,000,000. The entiy is in compliance with this capital requirement.

To assist in evaluating the current business and strategic opportunities, a risk-based approach is one of the core measures of financial performance. The risk based assessment measure which has been adopted is the Minimum Continuing Capital and Surplus Requirement (MCCSR) standard as defined by the FSC and dictated by the Insurance Regulations 2001. Under Jamaican regulations, the minimum standard recommended for companies is a MCCSR of 150%.

The MCCSR attained by the entity at December 31 is set out below:

	2018	2017
Regulatory capital held ($`000)	668,427	591,720
Minimum regulatory capital ($`000)	178,027	148,638
MCCSR Ratio	375.5%	398.1%

Investment management indirect subsidiary

The entity's regulator is the FSC, which monitors the entity's regulatory capital position. The FSC's benchmark capital ratios and the ratios attained by the subsidiary for the current and prior year are shown in the table below.

		2019		2018	
	FSC Benchmark	Required	Attained	Required	Attained
Capital ratios:					
Total regulatory qualifying capital expressed as a percentage of total risk weighted assets	Minimum	10%	21.17%	10%	20.94%
Total Tier 1 capital expressed as a percentage of total qualifying capital	Greater than	50%	94.78%	50%	99.30%
Total regulatory capital expressed as a percentage of total assets	Minimum	6%	17.78%	6%	16.06%

38. Financial risk management (continued)

(f) Capital management (continued):

Regulatory capital (continued)

Investment management indirect subsidiary (continued)

The entity is in compliance with externally imposed capital requirements.

Indirect foreign subsidiary

An indirect subsidiary is subject to regulatory capital requirements established by the Cayman Islands Monetary Authority (CIMA). Failure to meet minimum regulatory capital requirements can initiate certain actions by CIMA that, if undertaken, could have a direct material effect on the indirect subsidiary's financial statements. Under capital adequacy guidelines used by CIMA, the indirect subsidiary must meet specific capital guidelines that involve quantitative measures of its assets, liabilities, and certain off-balance sheet items as calculated under regulatory accounting practices. The indirect subsidiary's regulatory capital amounts and classification are also subject to qualitative judgements by CIMA about components and risk weightings.

As at March 31, 2019 and 2018, the indirect subsidiary's regulatory capital amount and its risk asset ratio, as well as CIMA's minimum requirements are presented in the following table:

	Actual	2019 minimum for regulatory capital and capital adequacy purposes	Actual	2018 minimum for regulatory capital and capital adequacy purposes
Regulatory capital (CI$)	7,906,700	3,957,900	7,692,000	3,441,000
Risk asset ratio	40.8%	15%	33.5%	15%
Liquidity ratio	24.4%	10%	16.9%	10%

Money transmission services indirect subsidiaries

In implementing current capital requirements, the Bank of Jamaica requires the indirect subsidiary to maintain a net worth of US$10,000 or its equivalent in Jamaica dollars. The indirect subsidiary group's and company's net worth as at March 31, 2019 amounted to the Jamaican equivalent of US$16,952,000 (2018: US$15,676,000) and US$6,644,000 (2018: US$5,932,000), respectively.

CIMA requires one of the indirect subsidiaries to maintain a net worth of CI$30,000. Its net worth as at March 31, 2019 amounted to CI$4,939,000 (2018: CI$5,674,000).

The regulatory capital requirement for the indirect subsidiary registered in The United States of America (USA) is described at note 8(iv).

38. Financial risk management (continued)

(f) Capital management (continued):

Regulatory capital (continued)

Money transmission services indirect subsidiaries (continued)

The Financial Conduct Authority requires a United Kingdom indirect subsidiary to maintain a net worth of €144,441. The indirect subsidiary's net worth as at March 31, 2019 amounted to €1,049,000 or £913,000 (2018: €998,000 or £977,000).

An indirect subsidiary, which is regulated by the Financial Transactions and Report Analysis Centre of Canada, is not subject to any externally imposed capital requirements.

There has been no change in the manner in which capital is managed within Group during the year.

39. Fair value of financial instruments

The fair value of financial assets that are traded in an active market are based on quoted market prices. For all other financial assets, the Group determines fair values using other valuation techniques as detailed in note 45(d).

The fair values of cash and cash equivalents, securities purchased under resale agreements, due to/from related entities, other assets, securities sold under repurchase agreements and other payables are considered to approximate their carrying values due to their relatively short-term nature.

The estimated fair value of loans is the principal receivable less any allowance for losses.

39. Fair value of financial instruments (continued)

(a) Accounting classifications and fair values:

The following table shows the carrying amounts (excluding interest receivable) and fair values of financial assets and liabilities, including their levels in the fair value hierarchy. The carrying amounts of financial assets and liabilities not measured at fair value are a reasonable approximation of their fair values. 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.

The Company has no financial assets or financial liabilities measured at fair value.

	Group 2019					
	Carrying amount			Fair value		
	FVOCI formerly available-for-sale $'000	At fair value through profit or loss $'000	Total $'000	Level 1 $'000	Level 2 $'000	Total $'000
Financial assets measured at fair value:						
Corporate and sovereign bonds	9,183,641	-	9,183,641	-	9,183,641	9,183,641
Quoted equities	145,586	515,126	660,712	660,712	-	660,712
Unquoted equities	29,353	-	29,353	-	29,353	29,353
Government of Jamaica securities	37,260,149	-	37,260,149	-	37,260,149	37,260,149
Treasury bills	8,741,578	-	8,741,578	-	8,741,578	8,741,578
Mutual funds	-	261,717	261,717	-	261,717	261,717
	55,360,307	776,843	56,137,150	660,712	55,476,438	56,137,150

	Group 2018				
	Carrying amount		Fair value		
	Available-for-sale $'000	Total $'000	Level 1 $'000	Level 2 $'000	Total $'000
Financial assets measured at fair value:					
Corporate and sovereign bonds	13,211,307	13,211,307	-	13,211,307	13,211,307
Quoted equities	612,264	612,264	612,264	-	612,264
Unquoted equities	29,353	29,353	-	29,353	29,353
Government of Jamaica securities	35,688,711	35,688,711	-	35,688,711	35,688,711
Treasury bills	2,161,515	2,161,515	-	2,161,515	2,161,515
Mutual funds	230,618	230,618	30,496	200,122	230,618
	51,933,768	51,933,768	642,760	51,291,008	51,933,768

39. Fair value of financial instruments (continued)

(b) Valuation techniques for investment securities classified as Level 2:

The following table shows the valuation techniques used in measuring the fair value of investment securities.

Type	Valuation techniques
US$ denominated GOJ securities, sovereign and corporate bonds	• Obtain bid price provided by a recognised broker/dealer • Apply price to estimate fair value
J$ denominated securities issued or guaranteed by GOJ	• Obtain bid price provided by a recognised pricing source (which uses Jamaica-market-supplied indicative bids) • Apply price to estimate fair value
Units in Mutual funds	• Obtain net asset value (NAV) per unit published by Fund Manager • Apply price to estimate fair value
Quoted equities	• Calculated using closing bid price published by the respective stock exchange • Apply price to estimate fair value
Unquoted equities	• Price obtained from third party valuations • Apply price to estimate fair value
Foreign exchange forward contracts	• Obtain forward foreign exchange rates • Apply rates to estimate fair value

There are no significant unobservable inputs used in computing the fair values.

40. Insurance risk management

Risk management objectives and policies for mitigating insurance risk:

The Group's management of insurance and financial risk is a critical aspect of the business.

The primary insurance activity carried out by the Group is the transfer of risk from persons or entities that are directly subject to the risk, by means of the sale of insurance policies. As such, the Group is exposed to uncertainty surrounding the timing, frequency and severity of claims under these policies.

The principal types of policies written by the Group are:

Liability insurance
Property insurance
Motor insurance
Life insurance

40. Insurance risk management (continued)

(a) Underwriting policy

The Group manages insurance risk through its underwriting policy that includes *inter alia* authority limits, approval procedures for transactions that exceed set limits, pricing guidelines and the centralised management of reinsurance.

The underwriting strategy for the life insurance subsidiary includes the use of a medical questionnaire with benefits limited to reflect the health condition of applicants.

The Group actively monitors insurance risk exposures both for individual and portfolio types of risks. These methods include internal risk measurement, portfolio modelling and analyses.

The Group seeks to underwrite a balanced portfolio of risks at rates and terms that will produce an underwriting result consistent with its long-term objectives.

The Board of Directors approves the underwriting strategy which is set out in an annual business plan and management is responsible for the attainment of the established objectives.

(b) Reinsurance strategy:

The Group reinsures a portion of the risks it underwrites in order to protect capital resources and to limit its exposure to variations in the projected frequency and severity of losses.

Ceded reinsurance results in credit risk. The Group manages reinsurance risk by selecting reinsurers which has established capability to meet its contractual obligations and which generally have favourable credit ratings as determined by a reputable rating agency. The Group monitors the financial condition of reinsurers on an ongoing basis and reviews its reinsurance arrangements periodically. The Board of Directors is responsible for setting the minimum security criteria for accepting reinsurance and monitoring the purchase of reinsurance against those criteria and for monitoring its adequacy on an ongoing basis. Concentration of insurance risks is discussed in more detail in note 41.

(c) Terms and conditions of general and life insurance contracts:

The table below provides an overview of the terms and conditions of general and life insurance contracts written by the Group and the key factors upon which the timing and uncertainty of future cash flows of these contracts depend:

Type of contract	Terms and conditions	Key factors affecting future cash flows
Liability	Under these contracts, compensation is paid for injury suffered by individuals, including employees or members of the public. The main liability exposures are in relation to bodily injury.	The timing of claim reporting and settlement is a function of factors such as the nature of the coverage and the policy provisions. The majority of bodily injury claims have a relatively long tail. In general, these claims involve higher estimation uncertainty.

40. Insurance risk management (continued)

(c) Terms and conditions of general and life insurance contracts (continued):

Type of contract	Terms and conditions	Key factors affecting future cash flows
Property	Property insurance indemnifies, subject to any limits or excesses, the policyholder against the loss or damage to their own material property and business interruption arising from this damage.	The risk on any policy varies according to many factors such as location, safety measures in place and the age of the property. The event giving rise to a claim for damage to buildings or contents usually occurs suddenly (as for fire and burglary) and the cause is easily determinable. Therefore, claims are generally notified promptly and can be settled without delay. Property business is therefore classified as "short-tailed" and expense deterioration and investment return is of less importance in estimating provisions. The cost of repairing or rebuilding assets, of replacement or indemnity for contents and the time taken to restart or resume operations to original levels for business interruption losses are the key factors influencing the level of claims under these policies.
Motor	Motor insurance contracts provide cover in respect of policyholders' motor vehicles and their liability to third parties in respect of damage to property and bodily injury. The exposure on motor insurance contracts is normally limited to the replacement value of the vehicle and a policy limit in respect of third party damage.	In general, claims reporting lags are minor and claim complexity is relatively low. The frequency of claims is affected by excessive speeding, the deteriorating condition of the road network, failure by some motorists to obey traffic signals and the road code and an overall increase in the incidence of motor vehicle accidents. The number of claims is also correlated with economic activity, which also affects the amount of traffic activity. The bodily injury claims have a relatively long tail.

40. Insurance risk management (continued)

(c) Terms and conditions of general and life insurance contracts (continued):

Type of contract	Terms and conditions	Key factors affecting future cash flows
Life	The insurance contracts insure human life for death, critical illness or permanent disability over short and long duration. Short-duration life insurance contracts protect the indirect subsidiary's customer from the consequence of events such as death or disability that would affect the ability of the customer or his/her dependents to maintain their current level of income. Guaranteed benefits paid on occurrence of the specified insurance event are either fixed or linked to the extent of the economic loss suffered by the policy-holder. There are no maturity or surrender benefits.	For the contracts where death is the insured risk, the most significant factors that could increase the overall frequency and severity of claims are epidemics (such as AIDS) and wide-ranging lifestyle changes such as eating, smoking and exercise habits resulting in earlier or more claims than expected.

Liability contracts:

Risks arising from liability insurance are managed primarily through pricing, product design, risk selection, rating and reinsurance. The Group monitors and reacts to changes in the general economic and commercial environment in which it operates to ensure that only liability risks which meet its criteria for profitability are underwritten.

Property contracts:

The risks relating to property contracts are managed primarily through the pricing process. The Group reprices each contract to reflect the continually evolving risk profile. The Group uses strict underwriting criteria to ensure that the risk of losses is acceptable.

Motor contracts:

The risks relating to motor contracts are managed primarily through the pricing process. The Group monitors and reacts to changes in trends of injury awards, litigation and the frequency of claims.

40. Insurance risk management (continued)

(d) Risk exposure and concentrations of risk:

The following table shows the Group's exposure to general insurance risk (based on the carrying value of claim provisions at the reporting date) per major category of business.

	Liability $'000	Property $'000	Motor $'000	Other $'000	Total $'000
At December 31, 2018					
Gross	267,771	40,730	1,433,100	7,436	1,749,037
Net of reinsurance	215,157	7,069	1,397,156	4,047	1,623,429
At December 31, 2017					
Gross	293,969	290,510	1,613,785	20,843	2,219,107
Net of reinsurance	215,428	39,634	1,580,892	6,515	1,842,469

(e) Claims development for general insurance:

Claims development information is disclosed in order to illustrate the insurance risk inherent in the Group. The top part of the table shows how the estimates of total claims for each accident year develop over time. The estimates are increased or decreased as losses are paid and more information becomes known about the severity of unpaid claims. The lower part of the table provides a reconciliation of the total provision included in the statement of financial position and the estimate of cumulative claims.

Analysis of net claims development:

	Accident year						
	2013 $'000	2014 $'000	2015 $'000	2016 $'000	2017 $'000	2018 $'000	Total $'000
Estimate of cumulative claims at end of accident year	2,196,651	899,093	1,039,487	1,285,664	1,212,574	1,102,581	
- one year later	2,039,279	775,982	969,568	1,186,365	1,175,304	-	
- two years later	1,955,082	734,173	936,815	1,205,337	-	-	
- three years later	1,973,608	738,773	954,524	-	-	-	
- four years later	1,975,640	734,804	-	-	-	-	
- five years later	1,941,430	-	-	-	-	-	
Estimate of cumulative claims	1,941,430	734,804	954,524	1,205,337	1,175,304	1,102,581	7,113,980
Cumulative payments	(1,675,799)	(640,093)	(823,309)	(977,192)	(926,476)	(447,682)	(5,490,551)
Net outstanding liabilities	265,631	94,711	131,215	228,145	248,828	654,899	1,623,429

40. Insurance risk management (continued)

(f) Reinsurance limits

(i) The Group has property catastrophe reinsurance up to a maximum of $56.637 billion (2017: $48.57 billion) of which the Property and Condominium Strata Quota Share is $46.24 billion (2017: $43.47 billion) and Engineering Quota Share is $4.847 billion (2017: $4.188 billion) and Catastrophe Excess of Loss $5.55 billion (2017: $5.1 billion) per event under which it is liable for the first $400 million (2017: $400 million) of losses in accordance with the terms of the treaty. Motor catastrophe reinsurance cover is US$10 million (2017: US$10 million) per event. The Group limits its net exposure to a maximum amount on any one risk (property and engineering) or loss (the other classes) of US$900,000 (2017: US$900,000) for property claims, US$60,000 (2017: US$60,000) on contractors all risks and other engineering exposures, $25 million on performance, tender and mobilisation bonds, $10 million on motor, personal accident, public and employer's liability and fidelity bonds; and $5 million on fidelity guarantee bonds for the years ended December 31, 2018 and 2017.

Type of insurance contract	Retention limit
Group creditor life contract	JMD 7,500,000; USD 51,000; CAD 52,000; GBP 33,000 of coverage per life insured. Treaty limits apply.
Group life contract	JMD 3,000,000 of coverage per life insured. Treaty limits apply.

(ii) In the life insurance indirect subsidiary, the benefits assured for the creditor life policies, distributed by retained amounts and by reinsured amounts at December 31 are shown below:

	2018		
Band	Total amount	Total amount reinsured	Total amount retained
$'000	$'000	$'000	$'000
0 - 1,000	6,379,553	-	6,379,553
1,000 - 2,000	6,168,893	-	6,168,893
2,000 - 5,000	22,627,458	414,729	22,212,729
5,000 - 10,000	31,652,306	4,350,403	27,301,903
10,000 and over	23,315,606	15,401,446	7,914,160
	90,143,816	20,166,578	69,977,238

40. Insurance risk management (continued)

(f) Reinsurance limits (continued)

(ii) (Continued)

	2017		
Band	Total amount	Total amount reinsured	Total amount retained
$'000	$'000	$'000	$'000
0 - 1,000	3,968,910	-	3,968,910
1,000 - 2,000	4,006,338	-	4,006,338
2,000 - 5,000	14,457,528	321,236	14,136,292
5,000 - 10,000	29,035,334	5,552,695	23,482,639
10,000 and over	27,523,622	18,254,232	9,269,390
	78,991,732	24,128,163	54,863,569

41. Concentration of insurance risks

A key aspect of the insurance risk faced by the Group is the extent of concentration of insurance risk which may exist where a particular event or series of events could impact significantly upon its liabilities. Such concentration may arise from a single insurance contract or through a portfolio of related contracts.

The main concentration risk to which the Group is exposed is natural disasters. By their nature, the timing and frequency of these events are uncertain. They represent a significant risk to the Group because the occurrence of an event could have a significantly adverse effect on its cash flows.

The Group's key methods in managing these risks are twofold:

(a) Firstly, the risk is managed through the establishment of an appropriate underwriting strategy and its implementation by means of the Group's underwriting policy [note 40(a)].

(b) Secondly, the risk is managed through the use of reinsurance [note 40(b)]. The Group arranges proportional reinsurance at the risk level and purchases excess of loss cover for liability and property business. The Group assesses the costs and benefits associated with the reinsurance programme on a regular basis.

42. Commitments

At March 31 the Group had:

(a) Unexpired lease commitments payable as follows:

	Group	
	2019	2018
	$'000	$'000
Within one year	172,647	152,558
Subsequent years	242,565	164,019
	415,212	316,577

42. Commitments (continued)

At March 31 the Group had (continued):

(a) Unexpired lease commitments payable as follows (continued):

Included in the unexpired lease commitments are amounts due to related entities totalling $47,374,000 (2018: $2,289,000).

(b) Undisbursed approved loans amounted to approximately $8,028,457,000 (2018: $6,578,164,000).

(c) Capital commitments:

Commitments for capital expenditure approved and contracted for was $26,515,000 (2018: $97,123,000).

(d) Sponsorship commitments:

Commitments for sponsorship expenditures amounted to $141,851,000 (2018: $40,000,000).

43. Contingent liabilities

(i) There are several claims which have been brought against the Group in respect of damages for alleged breach of contract and other matters. It is the opinion of the Group's Legal Counsel that, in the unlikely event that these claims should be successful, liability should not be significant.

(ii) In the ordinary course of business, the general insurance indirect subsidiary seeks to reduce the loss that may result from catastrophe or other events that cause unfavourable underwriting results by reinsuring certain levels of risk with other insurers. These reinsurers are chosen based on their international rating, with no one reinsurer accounting for more than 15% of the indirect subsidiary's aggregates. Reinsurance ceded does not discharge the indirect subsidiary's liability as the principal insurer. Failure of reinsurers to honour their obligation could result in losses to the entity. Consequently, a contingent liability exists should an assuming reinsurer be unable to meet its obligations.

(iii) An indirect subsidiary of the Group has given guarantees amounting to $600,000 (2018: $600,000) in respect of bank guarantees issued to the Collector and Commissioner of Customs.

44. Changes in accounting policies

Except for the changes below, the Group has consistently applied the accounting policies set out in note 45 for all periods presented in these financial statements.

The details, nature and effects of the changes are as follows:

New, revised and amended standards and interpretations that became effective during the year:

Certain new, revised and amended standards and interpretations came into effect during the current financial year. The Group has assessed them and has adopted those which are relevant to its financial statements:

The Group has adopted IFRS 9 as issued by the IASB in July 2014 with a date of transition of April 1, 2018, which resulted in changes in accounting policies and adjustments to the amounts previously recognised in the financial statements. The Group did not early adopt any of IFRS 9 in previous periods.

As permitted by the transitional provisions of IFRS 9, the Group elected not to restate comparative figures. Any adjustments to the carrying amounts of financial assets and liabilities at the date of transition were recognised in the opening retained earnings and other reserves of the current period.

Consequently, for notes disclosures, the consequential amendments to IFRS 7 disclosures have also only been applied to the current period. The comparative period notes disclosures repeat those disclosures made in the prior year.

The adoption of IFRS 9 has resulted in changes in our accounting policies for recognition, classification and measurement of financial assets and financial liabilities and impairment of financial assets. IFRS 9 also significantly amends other standards dealing with financial instruments such as IFRS 7 *Financial Instruments: Disclosures*.

Set out below are disclosures relating to the impact of the adoption of IFRS 9 on the Group. Further details of the specific IFRS 9 accounting policies applied in the current period (as well as the previous IAS 39 accounting policies applied in the comparative period) are described in more detail below.

44. Changes in accounting policies (continued)

New, revised and amended standards and interpretations that became effective during the year (continued):

(a) Classification and measurement of financial instruments

Accounting policy after April 1, 2018 under IFRS 9

The measurement category and the carrying amount of financial assets and liabilities for the Group in accordance with IAS 39 and IFRS 9 at April 1, 2018 are compared as follows:

	IAS 39		IFRS 9	
	Measurement category	Carrying amount	Measurement category	Carrying amount
		$'000		$'000
Financial assets				
Cash and cash equivalents	Loans and receivables	27,865,231	Amortised cost	27,865,231
Securities purchased under resale agreements	Loans and receivables	5,370,494	Amortised cost	5,367,708
Investments	Available- for- sale	51,933,768	FVOCI	51,115,596
	Loans and receivables	21,558,785	Amortised cost	21,532,579
	FVPL (designated)	-	FVPL (designated)	689,408
Loans, after allowance impairment loss	Loans and receivables	87,519,411	Amortised cost	87,236,251
Other assets	Loans and receivables	3,201,362	Amortised cost	3,169,357
		197,449,051		196,976,130
		$'000		$'000
Financial liabilities				
Bank overdraft		9,197		9,197
Due to specialised financial institutions		17,584,035		17,584,035
Customer deposits		118,070,760		118,070,760
Due to related entities	Other liabilities	184,392	Amortised cost	184,392
Securities sold under resale agreements		24,270,666		24,270,666
Other payables		4,528,776		4,528,776
Margin loan payable		2,506,396		2,506,396
Long-term loans		1,083,582		1,083,582
		168,237,804		168,237,804

Financial assets held by the Company, which were previously classified as loans and receivables are now classified as amortised cost. Financial liabilities previously classified as other liabilities are now also classified as amortised cost.

44. Changes in accounting policies (continued)

New, revised and amended standards and interpretations that became effective during the year (continued):

(a) Classification and measurement of financial instruments (continued)

Accounting policy after April 1, 2018 under IFRS 9 (continued)

The following explains how applying the new classification requirements of IFRS 9 led to changes in classification of certain financial assets held by the Group as shown in the table above:

(i) Designation of equity instruments at FVOCI

The Group has elected to irrevocably designate strategic investments of $153,474,000 in a portfolio of non-trading equity securities in clearing houses and exchanges at FVOCI as permitted under IFRS 9. These securities were previously classified as available-for-sale.

The changes in fair value of such securities will no longer be reclassified to profit or loss when they are disposed of.

(ii) Reclassification from retired categories with no change in measurement

The following debt instruments have been reclassified to new categories under IFRS 9, as their previous categories under IAS 39 were 'retired', with no changes to their measurement basis:

- Those previously classified as available for sale are now classified as measured at FVOCI.

No financial assets and liabilities previously carried at fair value have been reclassified to the amortised cost category.

(b) Reconciliation of statement of financial position balances from IAS 39 to IFRS 9

The Group performed a detailed analysis of its business models for managing financial assets and analysis of their cash flow characteristics.

Please refer to note 44(a) for additional information regarding the new classification requirements of IFRS 9.

44. Changes in accounting policies (continued)

New, revised and amended standards and interpretations that became effective during the year (continued):

(b) Reconciliation of statement of financial position balances from IAS 39 to IFRS 9 (continued)

The following table reconciles the carrying amounts of financial assets, from their previous measurement category in accordance with IAS 39 to their new measurement categories upon transition to IFRS 9 on April 1, 2018:

	IAS 39 carrying amount March 31, 2018 $'000	Reclassifications $'000	Remeasurements $'000	IFRS 9 carrying amount April 1, 2018 $'000
Amortised cost				
Cash and cash equivalents	27,865,231	-	-	27,865,231
Securities purchased under resale agreements	5,370,494	-	(2,786)	5,367,708
Investments	21,558,785	-	(26,206)	21,532,579
Loans, after allowance for impairment losses	87,519,411	-	(283,160)	87,236,251
Other assets	3,201,362	-	(32,005)	3,169,357
Total financial assets measured at amortised cost	145,515,283	-	(344,157)	145,171,126
Fair value through other comprehensive income				
Debt investments	51,061,533	-	(128,764)	50,932,769
Mutual funds	230,618	(230,618)	-	-
Equity investments	641,617	(458,790)	-	182,827
Total FVOCI	51,933,768	(689,408)	(128,764)	51,115,596
Fair value through profit or loss (FVPL)				
Equity investments and mutual funds	-	689,408	-	689,408
	197,449,051	-	(472,921)	196,976,130

44. Changes in accounting policies (continued)

New, revised and amended standards and interpretations that became effective during the year (continued):

(c) Reconciliation of impairment allowance balance from IAS 39 to IFRS 9

The following table reconciles the prior period's closing impairment allowance measured in accordance with the IAS 39 incurred loss model to the new impairment allowance measured in accordance with the IFRS 9 expected loss model at April 1, 2018:

	Loss allowance under IAS 39	**Reclassification**	**Remeasurement**	**ECL allowance under IFRS 9**
	$'000	$'000	$'000	$'000
Loans	1,385,577	-	252,452	1,638,029
Investments and resale agreements	1,962	-	104,102	106,064
Other financial assets	44,243	-	31,999	76,242
Loan commitments and financial guarantee	-	-	6,655	6,655
Total	1,431,782	-	395,208	1,826,990

Further information on the measurement of the impairment loss under IFRS 9 can be found in note 38.

(d) Impact of changes in accounting policy

	Other reserves	Retained earnings	Sub-Total	Non-controlling interest	Total
	$'000	$'000	$'000	$'000	$'000
Closing equity components at March 31, 2018 - IAS 39	5,562,826	20,442,845	26,005,671	125,024	26,130,695
IFRS 9 impact - increase in provision for debt securities at amortised cost	-	(23,692)	(23,692)	-	(23,692)
IFRS 9 impact - net change due to increase in provision and reclassification for debt securities at FVOCI	(36,681)	(16,378)	(53,059)	(250)	(53,309)
Deferred tax on ECL on loans (note 18)	-	78,602	78,602	-	78,602
Deferred tax on ECL on investments (note 18)	(13,361)	20,821	7,460	-	7,460
Change in provision for loans (note 12)	(198,876)	(52,190)	(251,066)	(1,386)	(252,452)
Change in provision for other financial assets	-	(32,023)	(32,023)	(123)	(32,146)
Adjustment to equity from adoption of IFRS 9	(248,918)	(24,860)	(273,778)	(1,759)	(275,537)
Opening equity components at April 1, 2018 - IFRS 9	5,313,908	20,417,985	25,731,893	123,265	25,855,158

The change in accounting policy did not have an impact on the Company.

44. Changes in accounting policies (continued)

New, revised and amended standards and interpretations that became effective during the year (continued):

(e) Other changes in accounting standards and interpretations

- IFRS 15 *Revenue from Contracts with Customers*. IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaced IAS 18 *Revenue*, IAS 11 *Construction Contracts* and related interpretations.

  The Group initially applied IFRS 15 on April 1, 2018 retrospectively in accordance with IAS 8 without any practical expedients. The timing or amount of the Group's fee and commission income from contracts with customers was not impacted by the adoption of IFRS 15. There were no material impact to the amounts recognised in the financial statements resulting from the new disclosure requirements [see note 45(v)].

- 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 or initial recognition at fair value or at the fair value of the consideration paid or received at 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 entity 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 adoption of this amendment did not result in any change to amounts recognised, presented and disclosed in the financial statements.

- Amendments to IFRS 4 *Insurance Contracts*, provide two optional solutions to reduce the impact of the differing effective dates of IFRS 9 *Financial Instruments* (effective January 1, 2018), and IFRS 17 *Insurance Contracts* (expected to be effective January 2022) as follows:

  (i) Temporary exemption from IFRS 9:

  a. Rather than having to implement IFRS 9 in 2018, some companies will be permitted to continue to apply IAS 39 *Financial Instruments: Recognition and Measurement.*

  b. To qualify, a reporting company's activities need to be predominantly connected with insurance.

  Entities applying the temporary exemption will need to disclose fair value information separately for financial assets that meet the exemption criteria and for all other financial assets.

44. Changes in accounting policies (continued)

New, revised and amended standards and interpretations that became effective during the year (continued):

(e) Other changes in accounting standards and interpretations (continued)

- Amendments to IFRS 4 *Insurance Contracts*,

  (ii) Overlay approach:

  For designated financial assets, a company is permitted to reclassify between profit or loss and other comprehensive income (OCI), the difference between the amounts recognised in profit or loss under IFRS 9 and those that would have been reported under IAS 39.

  There will be new qualitative and quantitative disclosure requirements to describe how the adjustment is calculated and the effect on the financial statements.

- The indirect life insurance subsidiary evaluated its liabilities at December 31, 2015, the prescribed date of assessment under the temporary exemption provisions, and concluded that not all of the liabilities were predominantly connected with insurance. At December 31, 2015, 37% of the entity's liabilities were liabilities that arise from contracts within the scope of IFRS 17 and 58% of the entity's liabilities at December 31, 2015 are liabilities that arise because the entity issues insurance contracts and fulfils obligations arising from insurance contracts. The entity has not previously applied any version of IFRS 9. Therefore, the entity is not an eligible insurer that qualifies for optional relief from the application of IFRS 9.

- The indirect general insurance subsidiary evaluated its liabilities at December 31, 2015, the prescribed date of assessment under the temporary exemption provisions and concluded that all of the liabilities were predominantly connected with insurance. Eighty-five percent (85%) of the entity's liabilities at December 31, 2015 are liabilities that arise from contracts within the scope of IFRS 17 and nine percent (9%) of the entity's liabilities at December 31, 2015 are liabilities that arise because the entity issues insurance contracts and fulfils obligations arising from insurance contracts. Additionally, the entity has not previously applied any version of IFRS 9. Therefore, the entity is an eligible insurer that qualifies for optional relief from the application of IFRS 9. As at January 1, 2018, the entity has elected to apply the optional transitional relief under IFRS 4 that permits the deferral of the adoption of IFRS 9 for eligible insurers. Notwithstanding the aforementioned, the impact on the Group's financial statement was as if the entity had adopted IFRS 9.

- 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.

44. Changes in accounting policies (continued)

New, revised and amended standards and interpretations that became effective during the year (continued):

(e) Other changes in accounting standards and interpretations (continued)

- Amendments to IAS 40, *Transfers of Investment Property*, (continued)

  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 adoption of this amendment did not result in any change to amounts recognised, presented and disclosed in the financial statements.

- *Improvements to* IFRSs *2014-2016* contain amendments to certain standards applicable to the Group as follows:

  - IAS 28, *Investments in Associates and Joint Ventures,* effective retrospectively for annual reporting periods beginning on or after January 1, 2018, has been amended to clarify or state the following:

    (i) A venture capital organisation, or other qualifying entity, may elect to measure its investments in an associate or joint venture at fair value through profit or loss. This election can be made on an investment-by-investment basis.

    (ii) A non-investment entity investor may elect to retain the fair value accounting applied by an investment entity associate or investment entity joint venture to its subsidiaries. This election can be made separately for each investment entity associate or joint venture.

  The adoption of this amendment did not result in any changes to the presentation and disclosure in the financial statements.

45. Significant accounting policies

Except for changes in note 44, the Group has consistently applied the following accounting policies to all periods presented in the financial statements.

(a) Financial assets and liabilities

Policy applicable from April 1, 2018

Recognition and initial measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset.

45. Significant accounting policies (continued)

(a) Financial assets and liabilities (continued)

Policy applicable from April 1, 2018 (continued)

Recognition and initial measurement (continued)

At initial recognition, the Group measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commissions. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit or loss. Immediately after initial recognition, an expected credit loss allowance (ECL) is recognised for financial assets measured at amortised cost and investments in debt instruments measured at FVOCI, as described in note 44, which results in an accounting loss being recognised in profit or loss when an asset is newly originated.

(a) When the fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets, the difference is recognised as a gain or loss.

(b) In all other cases, the difference is deferred and the timing of recognition of deferred day one profit or loss is determined individually. It is either amortised over the life of the instrument, deferred until the instrument's fair value can be determined using market observable inputs, or realised through settlement.

Financial assets

Classification and subsequent measurement

From April 1, 2018, the Group has applied IFRS 9 and classifies its financial assets in the following measurement categories:

- Amortised cost;
- Fair value through other comprehensive income (FVOCI); or
- Fair value through profit or loss (FVPL).

The classification requirements for debt and equity instruments are described below:

Debt instruments

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as loans, government and corporate bonds.

Classification and subsequent measurement of debt instruments depend on:

(i) the Group's business model for managing the asset; and
(ii) the cash flow characteristics of the asset.

45. Significant accounting policies (continued)

(a) Financial assets and liabilities (continued)

Policy applicable from April 1, 2018 (continued)

Financial assets (continued)

Classification and subsequent measurement (continued)

Debt instruments (continued)

Based on these factors, the Group classifies its debt instruments into one of the following three measurement categories:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest ('SPPI'), and that are not designated at FVPL, are measured at amortised cost. The carrying amount of these assets is adjusted by any expected credit loss allowance recognised and measured as described in note 43. Interest income from these financial assets is included in 'Interest revenue' using the effective interest rate method.

- Fair value through other comprehensive income (FVOCI): Financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flows represent solely payments of principal and interest, and that are not designated at FVTPL, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses on the instrument's amortised cost, which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in 'Net gains/(losses) on derecognition of financial assets measured at amortised cost'. Interest income from these financial assets is included in 'interest revenue' using the effective interest rate method.

- Fair value through profit or loss: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented in the profit or loss statement within 'net trading revenue' in the period in which it arises, unless it arises from debt instruments that were designated at fair value or which are not held for trading, in which case they are presented separately in 'Net gains/(losses) on derecognition of financial assets measured at amortised cost'. Interest income from these financial assets is included in 'Interest revenue' using the effective interest rate method.

Business model: the business model reflects how the Group manages the assets in order to generate cash flows. That is, whether the Group's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of the assets. If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of 'other' business model and measured at FVTPL. Factors considered by the Group in determining the business model for a group of assets include past experience on how the cash flows for these assets were collected, how the asset's performance is evaluated and reported to key management personnel, how risks are assessed and managed and how managers are compensated.

45. Significant accounting policies (continued)

(a) Financial assets and liabilities (continued)

Policy applicable from April 1, 2018 (continued)

Financial assets (continued)

Classification and subsequent measurement (continued)

Debt instruments (continued)

For example, the Group's business model for the mortgage portfolio is to hold to collect contractual cash flows. Another example is the liquidity portfolio of assets, which is held by the Group as part of liquidity management and is generally classified within the hold to collect and sell business model. Securities held for trading are held principally for the purpose of selling in the near term or are part of a portfolio of financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. These securities are classified in the 'other' business model and measured at FVTPL.

SPPI: Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Group assesses whether the financial instruments' cash flows represent solely payments of principal and interest (the 'SPPI test'). In making this assessment, the Group considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at FVTPL.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

The Group reclassifies debt investments when and only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent.

Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidences a residual interest in the issuer's net assets. Examples of equity instruments include basic ordinary shares.

45. Significant accounting policies (continued)

(a) Financial assets and liabilities (continued)

Policy applicable from April 1, 2018 (continued)

Equity instruments (continued)

The Group subsequently measures all equity investments at fair value through profit or loss, except where the Group's management has elected, at initial recognition, to irrevocably designate an equity investment at fair value through other comprehensive income. The Group's policy is to designate equity investments as FVOCI when those investments are held for purposes other than to generate investment returns. When this election is used, fair value gains and losses are recognised in OCI and are not subsequently reclassified to profit or loss, including on disposal. Impairment losses (and reversal of impairment losses) are not reported separately from other changes in fair value. Dividends, when representing a return on such investments, continue to be recognised in surplus or deficit as other income when the Group's right to receive payments is established.

Gains and losses on equity investments at FVTPL are included in the 'Other operating income' line in the statement of revenue and expenses.

Measurement methods

Amortised cost and effective interest rate

The amortised cost is the amount at which the financial asset or financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset (i.e. its amortised cost before any impairment allowance) or to the amortised cost of a financial liability. The calculation does not consider expected credit losses and includes transaction costs, premiums or discounts, fees and points paid or received that are integral to the effective interest rate, such as origination fees. For purchased or originated credit-impaired ('POCI') financial assets - assets that are credit-impaired [see definition on note 45(t)] at initial recognition - the Group calculates the credit-adjusted effective interest rate, which is calculated based on the amortised cost of the financial asset instead of its gross carrying amount and incorporates the impact of expected credit losses in estimated future cash flows.

When the Group revises the estimates of future cash flows, the carrying amount of the respective financial assets or financial liability is adjusted to reflect the new estimate discounted using the original effective interest rate. Any changes are recognised in surplus or deficit.

45. Significant accounting policies (continued)

(a) Financial assets and liabilities (continued)

Policy applicable from April 1, 2018 (continued)

Modification of loans

The Group sometimes renegotiates or otherwise modifies the contractual cash flows of loans to customers. When this happens, the Group assesses whether or not the new terms are substantially different to the original terms. The Group does this by considering, among others, the following factors:

- If the borrower is in financial difficulty, whether the modification merely reduces the contractual cashflows to amounts the borrower is expected to be able to pay.
- Whether any substantial new terms are introduced, such as a profit share/equity-based return that substantially affects the risk profile of the loan.
- Significant extension of the loan term when the borrower is not in financial difficulty.
- Significant change in the interest rate.
- Change in the currency the loan is denominated in.
- Insertion of collateral, other security or credit enhancements that significantly affect the credit risk associated with the loan.

If the terms are substantially different, the Group derecognises the original financial asset and recognises a ‘new’ asset at fair value and recalculates a new effective interest rate for the asset. The date of renegotiation is consequently considered to be the date of initial recognition for impairment calculation purposes, including for the purpose of determining whether a significant increase in credit risk has occurred. However, the Group also assesses whether the new financial asset recognised is deemed to be credit-impaired at initial recognition, especially in circumstances where the renegotiation was driven by the debtor being unable to make the originally agreed payments. Differences in the carrying amount are also recognised in profit or loss as a gain or loss on derecognition.

If the terms are not substantially different, the renegotiation or modification does not result in derecognition, and the Group recalculates the gross carrying amount based on the revised cash flows of the financial asset and recognises a modification gain or loss in profit or loss. The new gross carrying amount is recalculated by discounting the modified cash flows at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets).

The impact of modifications of financial assets on the expected credit loss calculation is discussed in note 38(b)(v).

45. Significant accounting policies (continued)

(a) Financial assets and liabilities (continued)

Policy applicable from April 1, 2018 (continued)

Derecognition other than on a modification

Financial assets, or a portion thereof, are derecognised when the contractual rights to receive the cash flows from the assets have expired, or when they have been transferred and either (i) the Group transfers substantially all the risks and rewards of ownership, or (ii) the Group neither transfers nor retains substantially all the risks and rewards of ownership and the Group has not retained control.

The Group enters into transactions where it retains the contractual rights to receive cash flows from assets but assumes a contractual obligation to pay those cash flows to other entities and transfers substantially all of the risks and rewards. These transactions are accounted for as 'pass through' transfers that result in derecognition if the Group:

(i) Has no obligation to make payments unless it collects equivalent amounts from the assets;

(ii) Is prohibited from selling or pledging the assets; and has an obligation to remit any cash it collects from the assets without material delay.

Collateral (shares and bonds) furnished by the Group under standard repurchase agreements and securities lending and borrowing transactions are not derecognised because the Group retains substantially all the risks and rewards on the basis of the predetermined repurchase price, and the criteria for derecognition are therefore not met. This also applies to certain securitisation transactions in which the Group retains a subordinated residual interest.

Identification and measurement of impairment

The Group assesses on a forward-looking basis the expected credit losses ('ECL') associated with its debt instrument assets carried at amortised cost and FVOCI and with the exposure arising from loan commitments. The company recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

Note 38(b) provides more details of how the expected credit loss allowance is measured.

45. Significant accounting policies (continued)

(a) Financial assets and liabilities (continued)

Policy applicable from April 1, 2018 (continued)

Identification and measurement of impairment (continued):

Allowances for ECL are presented in the statement of financial position as follows:

- Financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets.
- Loan commitments and financial guarantee contracts: generally, as a provision.
- Debt instruments measured at FVOCI: no loss allowance is recognised in the statement of financial position because the carrying amount of these assets is their fair value. However, the loss is recognised in profit or loss as a reclassification from OCI.

Financial guarantee contracts and loan commitments

Financial guarantee contracts require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of a debt instrument. Such financial guarantees are given to banks, financial institutions and others on behalf of customers to secure loans, overdrafts and other banking facilities.

Financial guarantee contracts are initially measured at fair value and subsequently measured at the higher of:

- The amount of the loss allowance, or
- The premium received on initial recognition less income recognised in accordance with the principles of IFRS 15.

Loan commitments provided by the Group are measured as the amount of the loss allowance. The Group has not provided any commitment to provide loans at a below-market interest rate, or that can be settled net in cash or by delivering or issuing another financial instrument.

For financial guarantee contracts, the loss allowance is recognised as a provision. However, for contracts that include both a loan and an undrawn commitment and the Group cannot separately identify the expected credit losses on the undrawn commitment component from those on the loan component, the expected credit losses on the undrawn commitment are recognised together with the loss allowance for the loan. To the extent that the combined expected credit losses exceed the gross carrying amount of the loan, the expected credit losses are recognised as a provision.

45. Significant accounting policies (continued)

(a) Financial assets and liabilities (continued)

Policy applicable before April 1, 2018

A financial instrument is any contract that gives rise to a financial asset of one enterprise and a financial liability or equity instrument of another enterprise. For the purpose of the financial statements, financial assets have been determined to include cash and cash equivalents, securities purchased under resale agreements, investments, loans, due from related entities and certain other assets.

Financial liabilities include other payables, bank overdraft, securities sold under repurchase agreements, due to specialised financial institutions, customer deposits, due to related entities, long-term loans and margin loan payable.

(i) Classification:

Management determines the classification of investments at the time of acquisition and takes account of the purpose for which the investments were acquired. Investments are classified as loans and receivables, at fair value through profit or loss, held-to-maturity and available-for-sale securities.

Loans and receivables are those created or acquired by the Group, with fixed or determinable payments and are not quoted in an active market. Loans and receivables comprise cash and cash equivalents, debentures, bonds, certificates of deposit, loans and other assets.

Financial investments at fair value through profit or loss are those held for trading or those designated by management and comprise equity and certain debt securities. Such investments are those which the Group manages and makes purchase and sale decisions based on their fair value in accordance with its investment strategy.

Held-to-maturity securities are those with fixed or determinable payment and fixed maturity that the Group has the positive intent and ability to hold to maturity. Any sale or reclassification of a more than insignificant amount of held-to-maturity investments 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 current and the following two financial years.

Non-derivative financial liabilities are classified as other financial liability.

Derivatives are financial instruments that derive their value from the price of the underlying items such as equities, bond interest rate, foreign exchange or other indices. Derivatives enable users to increase, reduce or alter exposure to credit or market risk. The Group makes use of derivatives to hedge foreign currency and interest rate exposures.

45. Significant accounting policies (continued)

(a) Financial assets and liabilities (continued)

Policy applicable before April 1, 2018 (continued)

(i) Classification (continued):

The Group evaluates financial instruments which it acquires or issues to determine whether derivatives are embedded in any of the contracts (making it a "host contract").

The Group accounts for an embedded derivative separately from the host contract when certain conditions are met. Separated embedded derivatives are accounted for depending on their classification, and are presented in the statement of financial position together with the host contract. When an embedded derivative cannot be separated from the host contract, the entire contract is designated as at fair value through profit or loss.

Available-for-sale securities are financial assets that are so designated by the Group.

Available-for-sale investments comprise certain debt and equity instruments.

(ii) Recognition:

The Group initially recognises loans and advances, securities purchased or sold under resale/repurchase agreements and debt securities on the date that they are originated. All other financial assets are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is measured initially at fair value, plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue.

(iii) Derecognition:

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 on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred 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 are discharged, cancelled or expired.

(iv) Offsetting:

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liabilities simultaneously.

45. Significant accounting policies (continued)

(a) Financial assets and liabilities (continued)

Policy applicable before April 1, 2018 (continued)

(v) Measurement:

Financial assets classified as available-for-sale are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial measurement, they are measured at fair value. Unrealised gains and losses arising from changes in fair value, except for impairment losses, and foreign currency differences on debt instruments, are recognised in other comprehensive income and presented in investment revaluation reserve in equity [see note 28(b)]. Where fair value cannot be reliably determined, they are stated at cost. Where these securities are disposed of or are impaired, the related accumulated unrealised gains or losses are reclassified to surplus or deficit.

Financial assets classified as at fair value through profit or loss are measured at fair value and changes therein including any interest or dividend income are recognised in surplus or deficit. Directly attributable transaction costs are recognised in surplus or deficit as incurred.

All non-derivative financial assets classified as loans and receivables and held-to-maturity are initially recognised at fair value plus directly attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost, using the effective interest rate method. Premiums and discounts are included in the carrying amount of the related instrument and amortised based on the effective interest rate of the instrument.

Derivatives are initially recognised at fair value. Attributable costs are expensed in surplus or deficit as incurred. Subsequent to initial recognition they are measured at fair value. Where the derivative financial instrument is not designated in a hedge relationship that qualifies for hedge accounting, all changes in fair value are recognised immediately in surplus or deficit.

The fair value of investments classified as available-for-sale and at fair value through profit or loss is based on their quoted market bid price at the reporting date. Where a quoted market price is not available, the fair value of the instrument is estimated using pricing models or discounted cash flow techniques.

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate is a market related rate at the reporting date for an instrument with similar terms and conditions. Where pricing models are used, inputs are based on market related measures at the reporting date.

(vi) Identification and measurement of impairment:

The carrying amounts of the Group's financial assets are reviewed at each reporting date to determine whether there is objective evidence that financial instruments not carried at fair value through profit or loss are impaired.

45. Significant accounting policies (continued)

(a) Financial assets and liabilities (continued)

Policy applicable before April 1, 2018 (continued)

(vi) Identification and measurement of impairment (continued):

Financial assets are impaired when objective evidence demonstrates that a loss event has occurred after the initial recognition of the asset, and the loss event has an impact on the future cash flows of the asset that can be estimated reliably. If any such indication exists, the asset's recoverable amount is estimated at each reporting date. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount.

Objective evidence that financial assets (including equity securities) are impaired include default or delinquency by a borrower, restructuring of a loan or advance by the Group on terms that the Group would not otherwise consider, the disappearance of an active market for a security, adverse changes in the payment status of the borrowers or issuers, indications that a debtor or issuer will enter into bankruptcy or observable data indicating that there is measurable decrease in expected cash flows from a group of financial assets. For an investment in an equity instrument, objective evidence of impairment includes a significant or prolonged decline in its fair value below its cost.

The Group considers evidence of impairment at both a specific asset and collective level. All individually significant financial assets are assessed for impairment. All significant assets found not to be specifically impaired are then collectively assessed for any impairment incurred but not yet identified. Assets that are not individually significant are then collectively assessed for impairment by grouping together financial assets (carried at amortised cost) with similar risks.

In assessing collective impairment, the Group uses historical information of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

Impairment losses on assets carried at amortised cost are measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the asset's original effective interest rate. Impairment losses are recognised in surplus or deficit and reflected in an allowance account against loans and advances and other assets. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through surplus or deficit.

Impairment losses on available-for-sale investment securities are recognised by reclassifying the cumulative loss that has been recognised in the investment revaluation reserve to surplus or deficit. The cumulative loss that is reclassified is the difference between the acquisition cost, net of any principal repayment and amortisation, and the current fair value, less any impairment loss previously recognised in surplus or deficit.

45. Significant accounting policies (continued)

(a) Financial assets and liabilities (continued)

Policy applicable before April 1, 2018 (continued)

(vi) Identification and measurement of impairment (continued):

If, in a subsequent period, the fair value of an impaired available-for-sale debt security increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in surplus or deficit, the impairment loss is reversed, with the amount of the reversal recognised in surplus or deficit. However, any subsequent recovery in the fair value of an impaired available-for-sale equity security is recognised in other comprehensive income.

An impairment loss in respect of an equity accounted investee is measured by comparing the recoverable amount of the investment with its carrying amount. An impairment loss is recognised in surplus or deficit and is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

(b) Basis of consolidation:

(i) Business combinations

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain or bargain purchase is recognised in surplus or deficit immediately. Transaction costs are expensed as incurred, except if related to the issued debt or equity securities, in which case they are deducted from the proceeds.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts, generally, are recognised in surplus or deficit.

Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes in fair value of the contingent consideration are recognised in surplus or deficit.

The Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquired entity; plus
- if the business combination is achieved in stages, the fair value of the pre-existing interest in the acquired entity; less
- the net recognised amount (generally, fair value) of the identifiable assets acquired and liabilities assumed.

45. Significant accounting policies (continued)

(b) Basis of consolidation (continued):

(ii) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The subsidiary companies are listed in note 1 and are referred to as "subsidiaries" or "subsidiary" in the financial statements. The consolidated or Group financial statements comprise the financial results of the Company and its direct and indirect subsidiaries prepared to March 31, except for JN General Insurance Company Limited and JN Life Insurance Company Limited, which financial statements are prepared to December 31, annually (note 1). Consequently, the consolidated results include the results of these subsidiaries for the year ended December 31, 2018 (2018: December 31, 2017), updated for significant transactions to March 31, 2019 (2018: March 31, 2018).

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

The financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.

(iii) Non-controlling interests

Non-controlling interests 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.

Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests, even if doing so causes the non-controlling interest to have a deficit balance.

(iv) Loss of control

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

(v) Interest in equity-accounted investees

The Group's interests in equity-accounted investees comprise interests in associates and joint ventures.

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

45. Significant accounting policies (continued)

(b) Basis of consolidation (continued):

(v) Interest in equity-accounted investees (continued)

Interest in associates and joint ventures are accounted for using the equity method. They are recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence or joint control ceases.

When the Group's share of losses exceeds its interest in an associate, the Group's carrying amount is reduced to $Nil and recognition of further losses is discontinued, except to the extent that the Group has incurred legal or constructive obligations, or made payments on behalf of an associate. If the associate subsequently reports profits, the Group resumes recognising its share of those profits only after its share of profits equals the share of losses not recognised.

Book value accounting is used to recognise transfer of investments in associates between investors under common control. The result of the transaction is recognised in equity as arising from a transaction with shareholders. Any difference between the amount paid and the carrying amount of the investee, that is, excess consideration is recognised as an additional investment and any deficit is recorded as dividends received.

(vi) Jointly controlled operations

A jointly controlled operation is a joint venture carried on by a venturer using its own assets in pursuit of the joint operation. The consolidated financial statements include the assets that the Group controls and the liabilities that it incurs in the course of pursuing the joint operation and expenses that the Group incurs and its share of the income that it earns from the joint operation.

(vii) Transactions eliminated on consolidation

Intra-group balances and transactions, any unrealised gains and losses or income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with associates and jointly controlled entities are eliminated to the extent of the Group's interest in the entity. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(c) Property, plant and equipment:

Items of property, plant and equipment are measured at cost, less accumulated depreciation and impairment losses [see note 45(t)]. Cost includes expenditure that is directly attributable to the acquisition of the asset. 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 the future economic benefits embodied within the part will flow to the Group and its cost can be reliably measured. The cost of day-to-day servicing of property, plant and equipment is recognised in surplus or deficit as incurred.

45. Significant accounting policies (continued)

(c) Property, plant and equipment (continued):

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in surplus or deficit.

Property, plant and equipment, with the exception of artwork and freehold land on which no depreciation is provided, are depreciated on the straight-line basis at annual rates to write down the assets to their estimated residual values over their estimated useful lives and is generally recognised in surplus or deficit. Leasehold properties are amortised in equal instalments over the shorter of the lease term and the properties' estimated useful lives.

The depreciation rates are as follows:

Freehold buildings	2½%
Leasehold buildings	Shorter of lease term and useful life
Leasehold improvements	Shorter of lease term and useful life
Computer hardware	33⅓%
Furniture, fixtures and office equipment	10%
Motor vehicles	20%

The depreciation methods, useful lives and residual values are reassessed at each reporting date.

(d) Financial instruments:

Fair value measurement:

Policy applicable for 2019 and 2018

'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 in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

When available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

45. Significant accounting policies (continued)

(d) Financial instruments (continued):

Fair value measurement (continued):

Policy applicable for 2019 and 2018 (continued)

The best evidence of the fair value of a financial instrument at initial recognition is normally the transaction price - i.e. the fair value of the consideration given or received. If the Group determines that the fair value at initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value at initial recognition and the transaction price. Subsequently, that difference is recognised in surplus or deficit on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and long positions at a bid price and liabilities and short positions at an ask price.

Portfolios of financial assets and financial liabilities that are exposed to market risk and credit risk that are managed by the Group on the basis of the net exposure to either market or credit risk are measured on the basis of a price that would be received to sell a net long position (or paid to transfer a net short position) for a particular risk exposure. Those portfolio-level adjustments are allocated to the individual assets and liabilities on the basis of the relative risk adjustment of each of the individual instruments in the portfolio.

The Group recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

(e) Securities purchased/sold under resale/repurchase agreements:

Securities purchased under resale agreements (“Reverse repo”) and securities sold under repurchase agreements (“Repo”) are short-term transactions whereby securities are bought/sold with simultaneous agreements to resell/repurchase the securities on a specified date and at a specified price. Reverse repos and repos are accounted for as short-term collateralised lending and borrowing, respectively, and are measured at amortised cost, less impairment.

The difference between the purchase/sale and resale/repurchase considerations is recognised on the accrual basis over the period of the agreements, using the effective yield method, and is included in interest income and expense, respectively.

45. Significant accounting policies (continued)

(f) Cash and cash equivalents:

Cash and cash equivalents are measured at cost. They comprise cash balances and cash reserve at the Bank of Jamaica, cash in hand and short-term, highly liquid investments where original maturities do not exceed three months from the reporting date, are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short-term commitments. Bank overdrafts are repayable on demand. Bank overdrafts that form an integral part of the Group's cash management for financing operations are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

(g) Investment property:

Investment property is measured at cost, less accumulated depreciation and impairment losses. Rental income from investment property is recognised on the straight-line basis over the term of the lease, and accounted for on the accrual basis.

(h) Goodwill and intangible assets:

[i] Goodwill:

Goodwill represents amount arising on acquisition of subsidiaries and other business venture. It comprises the excess of the cost of the acquisition over the fair value of the net identifiable assets acquired.

Goodwill is stated at cost, less any accumulated impairment losses. Goodwill is allocated to cash-generating units and is tested annually for impairment. Negative goodwill arising on acquisition is recognised directly in surplus or deficit.

[ii] Intangible assets:

Intangible assets that are acquired by the Group and have finite useful lives are measured at cost, less accumulated amortisation (see [iv] below) and any accumulated impairment losses.

[iii] Subsequent expenditure:

Subsequent expenditure on intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

[iv] Amortisation:

Amortisation is charged to surplus or deficit on the straight-line basis over the estimated useful lives of intangible assets, unless such lives are infinite. Goodwill and intangible assets with an indefinite useful life are systematically tested for impairment at each reporting date. Other intangible assets are amortised from the date they are available for use. The estimated useful lives are as follows:

Trademarks	5 years
Software	3 years
Non-compete agreement	5 years

45. Significant accounting policies (continued)

(i) Assets held for sale:

Non-current assets, or disposal groups comprising assets and liabilities, that are expected to be recovered primarily through sale, rather than continuing use, are classified as held for sale. Assets held for sale are measured at the lower of their carrying amount and fair values less cost to sell.

Impairment losses on initial reclassification as held for sale and subsequent gains and losses on re-measurement are recognised in surplus or deficit. Once classified as held for sale, property, plant and equipment are no longer depreciated.

(j) Other assets:

Other assets are measured at amortised cost, less impairment losses.

(k) 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, statutory contributions, annual vacation leave, and non-monetary benefits such as medical care and housing; post-employment benefits such as pension; and other long-term employee benefits such as termination benefits.

The Group provides post-retirement pension and health insurance benefits to employees who have satisfied certain minimum service requirements.

Employee benefits that are earned as a result of past or current service are recognised in the following manner:

[i] Short-term employee benefits:

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past services provided by the employee and the obligation can be estimated reliably.

[ii] Defined contribution plans:

Obligation for contributions to defined contribution plans is expensed as the related services are provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

[iii] Defined-benefit plans:

Employee benefits, comprising post-employment obligations included in the financial statements, have been actuarially determined by a qualified independent actuary, appointed by management using the projected unit credit method. The actuary's report outlines the scope of the valuation and the actuary's opinion. The actuarial valuation is conducted in accordance with IAS 19, and the financial statements reflect the Group's post-employment benefit obligations as computed by the actuary. In carrying out their audit, the auditors rely on the actuary's report.

45. Significant accounting policies (continued)

(k) Employee benefits (continued):

[iii] Defined-benefit plans (continued):

The Group's net obligation in respect of its defined-benefit plans (note 23) is calculated by estimating the amount of future benefits that employees have earned in return for their service in the current and prior periods; that value is discounted to determine the present value, and the fair value of any plan assets is deducted. The discount rate is determined by reference to the yield at the reporting date on long-term government instruments of terms approximating those of the Group's obligation.

Remeasurements of the net defined-benefit liability, which comprise actuarial gains and losses, are recognised immediately in other comprehensive income. The Group determines the net interest expense on the net defined-benefit liability for the year by applying the discount rate used to measure the defined benefit obligation at the beginning of the year to the then-net defined benefit liability, taking into account any changes in the net defined benefit liability during the year as a result of the contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in surplus or deficit.

When the benefits of the plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in surplus or deficit. The Group recognise gains and losses on the settlement of a defined benefit plan when the settlement occurs.

[iv] Other long-term employee benefits:

The Group's net obligation in respect of long-term employee benefits is the amount of future benefits that employees have earned in return for their services in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognised in surplus or deficit in the period in which they arise.

[v] Termination benefits:

Termination benefits are expensed at the earlier of, when the Group can no longer withdraw the offer of those benefits, and when the Group recognises cost for a restructuring. If benefits are not expected to be settled wholly within 12 months of the end of the reporting period, then they are discounted.

(l) Loans payable:

Loans payable are recognised initially at cost, being their issue proceeds, less attributable transaction costs incurred. Subsequent to initial recognition, they are stated at amortised cost, with any difference between net proceeds and redemption value being recognised in surplus or deficit on the effective interest rate basis. The associated costs are included in interest expense.

45. Significant accounting policies (continued)

(m) Provisions and contingencies:

[i] Provisions

A provision is recognised in the statement of financial position when the Group has a legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

[ii] Contingencies

When it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability unless the probability of outflow of economic benefits is remote. Contingent assets are not recognised in the financial statements but are disclosed when an inflow of economic benefits is probable.

(n) Insurance contract recognition and measurement:

[i] Insurance contracts

Insurance contracts are accounted for in compliance with the recommendations and practices of the insurance industry, and comply with the provisions of the Insurance Act 2001.

Insurance contracts are those contracts that transfer significant insurance risk. Such contracts may also transfer financial risk. The Group defines insurance risk as significant if an insured event could cause an insurer to pay significant additional benefits in a scenario that has a discernible effect on the economics of the transactions.

For the life insurance indirect subsidiary, the insurance contracts insure human life for death or permanent disability over short and long durations. These life insurance contracts protect the indirect subsidiary's customer from the consequence of events such as death or disability that would affect the ability of the customer or his/her dependents to maintain their current level of income. Guaranteed benefits paid on occurrence of the specified insurance event are either fixed or linked to the extent of the economic loss suffered by the policy holder. There are no maturity or surrender benefits.

The underwriting results are determined after making provision for, inter alia, outstanding claims.

Gross written premiums

Gross premiums reflect business written during the year, and include adjustments to premiums written in previous years. The earned portion of premiums is recognised as revenue. Premiums are earned from the effective date of the policy.

45. Significant accounting policies (continued)

(n) Insurance contract recognition and measurement (continued):

[i] Insurance contracts (continued)

Unearned premiums

Unearned premiums represent that proportion of the premiums written up to the reporting date which is attributable to subsequent periods and is calculated on the "twenty-fourths" basis on the total premiums written.

Unexpired risks

Unexpired risks represent the amount set aside in addition to unearned premiums, in respect of risks to be borne by the indirect subsidiary under contracts of insurance entered into before the end of the financial year and is actuarially determined.

Outstanding claims

Outstanding claims comprise estimates of the amount of reported losses and loss expenses, plus a provision for losses incurred but not reported based on the historical experience of the indirect subsidiaries involved. The loss and loss expense reserves have been reviewed by the indirect subsidiary's actuary using the past loss experience of the indirect subsidiaries and industry data. Amounts recoverable in respect of claims from reinsurers are estimated in a manner consistent with the underlying liabilities.

Management believes that, based on the analysis completed by the actuary, the provision for outstanding losses and loss expenses will be adequate to cover the ultimate net cost of losses incurred up to the reporting date. However, the provision is an estimate and may, ultimately, be settled for a significantly greater or lesser amount. Any subsequent differences arising are recorded in the period in which they are determined.

Deferred acquisition cost and deferred commission income

Commission income and expense are deferred on a basis consistent with that used for deferring premium income.

[ii] Reinsurance assets

In the ordinary course of business, the indirect subsidiaries seek to reduce the loss that may result from catastrophe or other events that cause unfavourable underwriting results by reinsuring certain levels of risk with other insurers. Reinsurance ceded does not discharge the indirect subsidiaries' liability as the principal insurer. Failure of reinsurers to honour their obligations could result in losses to the subsidiaries and the Group. Consequently, a contingent liability exists in the event that an assuming reinsurer is unable to meet its obligations [see note 43(ii)].

45. Significant accounting policies (continued)

(n) Insurance contract recognition and measurement (continued):

[ii] Reinsurance assets (continued)

Amounts recoverable from reinsurers are estimated in a manner consistent with the claim liability associated with reinsured policies. Unearned reinsurance premiums on business ceded up to the reporting date, which are attributable to subsequent periods, are calculated substantially on the "twenty-fourths" basis on the total premiums ceded.

Reinsurance assets are assessed for impairment at each reporting date. A reinsurance asset is deemed impaired, if there is objective evidence, as a result of an event that occurred after its initial recognition, that the subsidiaries may not recover all amounts due, and that event has a reliably measurable impact on the amounts that the indirect subsidiaries will receive from the reinsurer. Impairment losses on reinsurance assets are recognised in surplus or deficit.

[iii] Insurance receivable and insurance payable

Amounts due from and to policyholders, brokers, agents and reinsurers are financial instruments and are included in insurance receivables and payables and not in insurance contract provisions or reinsurance assets.

(o) Other payables:

Other payables are measured at amortised cost.

(p) Taxation:

[i] Income tax:

Income tax on the surplus or deficit for the year comprises current and deferred tax. Income tax is recognised in surplus or deficit, except to the extent that it relates to a business combination or to items recognised directly in equity or in other comprehensive income.

Current tax comprises expected tax payable on the taxable income or loss for the year, as adjusted for tax purposes, using tax rates substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

[ii] Deferred tax:

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable surplus or deficit, and differences relating to investments in subsidiaries, to the extent that it is probable that they will not reverse in the foreseeable future.

45. Significant accounting policies (continued)

(p) Taxation (continued):

[ii] Deferred tax (continued):

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences only to the extent that it is probable that future taxable profits will be available against which the asset can be realised. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversal of existing temporary differences, are considered based on the business plans for the Group. 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 profits improves.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted as at the reporting date. Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax liabilities against current tax assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different taxable entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

(q) Foreign currencies:

[i] Monetary foreign currency balances at the reporting date are translated at the Bank of Jamaica’s weighted average rate of US$1.00 = J$125.0201 (2018: J$125.3198), U K£1.00 = J$164.5582 (2018: J$176.7955) and Cdn$1.00 = J$92.9814 (2018: J$96.9059), being the rates of exchange ruling on that date. Other foreign currency balances at the reporting date have been translated using indicative rates provided by the Bank of Jamaica of Euro1.00 = J$138.3505 (2018: J$154.6148) and Cayman Dollar 1.00 = J$153.7757 (2018: J$153.2132).

[ii] Transactions in foreign currencies are converted at the rates of exchange ruling on the dates of those transactions. Realised and unrealised gains and losses arising from fluctuations in exchange rates are included in surplus or deficit, except for differences arising on the re-translation of available-for-sale equity investments [note 45(a)(v)] and foreign operations [note 45(q)(iii)].

[iii] For the purpose of consolidating the financial statements of the Group’s foreign subsidiaries, each statement of financial position is translated at the closing rate and each statement of revenue and expenses at the average rate of exchange for the year. Translation differences are recognised in other comprehensive income and presented in an exchange equalisation reserve in equity [note 28(a)].

45. Significant accounting policies (continued)

(r) Provision for credit losses:

The provision for credit losses is maintained at a level considered adequate to provide for probable credit losses and is based on management's evaluation of individual loans in the credit portfolio. The evaluation takes all relevant matters into consideration, including prevailing and anticipated business and economic conditions, the collateral held, the debtor's ability to repay the loan and guidance provided by BOJ and CIMA, which requires that appropriate provision be made for all loans on which interest payments and principal repayments are ninety or more days in arrears. Amounts are written-off from the provision whenever management has concluded that such amounts may not be recovered.

General provisions for credit losses are established against the portfolio where a prudent assessment by the Group of adverse economic trends and losses inherent in its portfolio suggest that losses may occur, but such losses cannot be determined on an item-by-item basis. This provision is maintained by the indirect banking subsidiary at levels in excess of the minimum ½% established by the Bank of Jamaica.

IFRS 9 only permits specific loan loss provision and a general provision based upon the Group's actual credit loss experience. It also requires that the expected future cash flows of impaired loans be discounted and the increase in the present value be reported as interest income. The credit loss provision required under the Regulations (note 2) that is in excess of the requirements of IFRS is treated as an appropriation of retained earnings and included in a non-distributable credit loss reserve.

(s) Interest income and expense:

Policy applicable from April 1, 2018

Interest income and expense are calculated by applying the effective interest rate to the gross carrying amount of financial assets or liabilities, except for:

(i) POCI financial assets, for which the original credit-adjusted effective interest rate is applied to the amortised cost of the financial asset; and

(ii) Financial assets that are not 'POCI' but have subsequently become credit-impaired (or 'stage 3'), for which interest revenue is calculated by applying the effective interest rate to their amortised cost (i.e. net of the expected credit loss provision).

Policy applicable before April 1, 2018

Interest income and expense are recognised in surplus or deficit on the accrual basis, using the effective yield method, except that, where collection of interest income is considered doubtful, or where payment is outstanding for 90 days or more, the cash basis is used. Accrued interest on loans, which are in arrears for 90 days and over, is excluded from income in accordance with the Regulations. An indirect subsidiary recognises interest on the cash basis where payment is outstanding for over 30 days on a 10-20 week loan, or over 60 days on a 21-52 week loan.

IFRS requires that when collection of loans becomes doubtful, such loans should be written down to their recoverable amounts after which interest income is to be recognised based on the rate of interest that was used to discount the future cash flows in arriving at the recoverable amount. The difference between the basis of interest recognition under IFRS and the Regulations is not considered material.

45. Significant accounting policies (continued)

(t) Impairment of non-financial assets:

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash generating units (CGUs). Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, 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 or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in surplus or deficit. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, 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.

(u) Operating leases:

Payments made under operating leases are recognised in surplus or deficit on the straight-line basis over the life of the lease.

(v) Revenue recognition:

Revenue, from the date provision of services, is recognised in surplus or deficit when the significant risks and rewards of ownership have been transferred to the buyer and the consideration can be reliably measured. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due, or material associated costs on the possible return of goods.

Revenue from membership fees is recognised over the term of the membership. Revenue received in advance is deferred to match the revenue with the future costs associated with providing the service.

Media revenue is recognised when the related advertisement or commercial appears before the public. Production revenue is recognised by reference to the stage of completion of the project.

45. Significant accounting policies (continued)

(v) Revenue recognition (continued):

Money transfer fees are recognised when funds are transmitted on behalf of customers. Foreign exchange fees are recognised as earned, based on the value of remittances.

The accounting policies for the recognition of revenue from insurance contracts in respect of gross premiums written are disclosed in note 45(n)[i].

Reinsurance commission is recognised on a basis that is consistent with the recognition of the costs incurred on the acquisition of the underlying insurance contracts [see note 45(n)(i)]. Commission income in respect of reinsurance contracts is recognised on the accrual basis.

Investment income arises from financial assets and is comprised of interest and dividends and recognised gains/losses on financial assets. Dividend income is recognised when the right to receive income is established.

The accounting policy for interest income is described at note 45(s).

(w) Fees and commission:

Policy applicable before April 1, 2018

Fees and commission income and expense that are integral to the negotiation of a financial asset or liability are included in the measurement of the effective interest rate.

Other fees and commission income, including account servicing fees, investment management fees, sales commission, placement fees and syndication fees are recognised as the related services are performed. When a loan commitment is not expected to result in the drawdown of a loan, loan commitment fees are recognised on the straight-line basis over the commitment period.

Other fees and commission expenses relate mainly to transaction and service fees that are recognised and expensed as the services are received.

45. Significant accounting policies (continued)

(w) Fees and commission (continued):

Policy applicable from April 1, 2018

The nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies are as follows:

Type of service	*Nature and timing of satisfaction of performance obligations, including significant payment terms.*	*Revenue recognition under IFRS 15 (applicable from April 1, 2018).*
Servicing fees	The banking indirect subsidiary provides administrative services to its customers in respect of service delivery within its branch network. Fees are varied based on the service provided.	Revenue from service is recognised over time as the service is provided.
Commission fees	The banking indirect subsidiary provides services to its clients based on duly executed client agreements. Fees are charged on a monthly basis and are based on fixed rates agreed.	Revenue from service fees is recognised over time as the services are provided.
	Other subsidiaries recognise fees and commission as the related services are performed.	Revenue from fees and commission are recognised when the entity transfers control over a service to a customer.
Rental income	Earned on an accrual basis at a predetermined price and on payment terms agreed on and stated in a contract/rental agreement.	Rental income is earned on an accrual basis.
Syndication fees	The banking indirect subsidiary charges fees for advisory services provided to its corporate clients based on agreed mandate. Fees are charged based on the nature of the transaction which varies from client to client.	Revenue from services is recognised at the successful execution of each transaction.
Money transmitting	Fees are recognised when the indirect subsidiary has transmitted money to the customer, the customer has accepted the service, and collectability of the related receivable is reasonably assured.	Revenue from this service is recognised at the point in time when money is transmitted by the sender.
Mobile top up	Fees are recognised when the indirect subsidiary sells phone credit to customers.	Revenue from mobile top up is recognised at the point when the service is delivered.

45. Significant accounting policies (continued)

(w) Fees and commission (continued):

Policy applicable from April 1, 2018 (continued)

The nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies are as follows (continued):

Type of service	*Nature and timing of satisfaction of performance obligations, including significant payment terms.*	*Revenue recognition under IFRS 15 (applicable from April 1, 2018).*
Bill payments	Fees are recognised when the indirect subsidiary transacts bill payment services on behalf of customers.	Revenue is recognised at the point in time that the transactions are completed.
Sale of foreign currency	Sale of currency is recognised when the currency is delivered to the customer and the customer has accepted the currency and collectability of receivable is reasonably assured.	Revenue from sale of currency is recognised at the point the currency is delivered to the customer.
Administrative fees	The Group's investment indirect subsidiary provides trustees and other administrative services for physical custody of securities based on executed client agreements along with the management of members database and pensions contributions. Fees are calculated based on a fixed percentage of the value of the assets and is charged quarterly.	Revenue from trustee service is recognised over time as the service is provided.
Asset management fees	The Group's investment indirect subsidiary provides portfolio and investment management services to its clients based on duly executed client agreements. Fees are charged on a monthly basis and are based on fixed rates agreed.	Revenue from service fees is recognised over time as the services are provided.
Corporate Finance & Advisory fees	An indirect subsidiary charges fees for advisory services provided to its corporate clients based on agreed mandate. Fees are charged based on the nature of the transaction which varies from client to client and are paid at the successful execution of each transaction.	Revenue from services is recognised at the successful execution of each transaction.

45. Significant accounting policies (continued)

(w) Fees and commission (continued):

Policy applicable from April 1, 2018 (continued)

The nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies are as follows (continued):

Type of service	*Nature and timing of satisfaction of performance obligations, including significant payment terms.*	*Revenue recognition under IFRS 15 (applicable from April 1, 2018).*
Sale of computer hardware and software	Customers obtain control of goods when the goods are delivered to and accepted by them. Invoices are generated and the revenue is recognised at that point in time. Invoices are usually payable within 30 days. Generally, no discounts are provided for the sale of computer hardware and software. The sale contract does not permit the customer the right of return, except in instances where the agreed goods were not initially supplied, in which case, if the incorrect item is returned within 7 days the item is exchanged for the correct item.	Revenue is recognised at a point in time when the goods are delivered and have been accepted by the customers.
The installation of computer equipment, the provision of computer services and software programming and the provision of network solutions	Invoices for the installation of computer equipment, the provision of computer services and software programming and the provision of network solutions are generated at each milestone as agreed in the contract. Invoiced amounts are not recognised as revenue but are accounted for as deferred revenue until the conditions for revenue recognition is achieved.	Revenue is recognised at the point in time when the performance obligation is met, i.e. when the installation of computer equipment, the provision of computer services and software programming and the provision of network solutions is complete and delivered to and accepted by the customer following their own User Acceptance Testing (UAT).
	Some service contracts include an annual maintenance service component. The price of this is quoted separately in the contract and are invoiced to the customer on a monthly basis. Invoices are usually payable within 30 days.	Revenue is recognised as the service is provided, i.e. in equal monthly instalments over the contract service period.

45. Significant accounting policies (continued)

(w) Fees and commission (continued):

Policy applicable from April 1, 2018 (continued)

The nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies are as follows (continued):

Type of service	*Nature and timing of satisfaction of performance obligations, including significant payment terms.*	*Revenue recognition under IFRS 15 (applicable from April 1, 2018).*
Property management fees	An indirect subsidiary provides property management services to certain customers. Fees are charged on a monthly basis and are based on fixed rates agreed.	Revenue from property management fees is recognised over time as the services are provided.
Maintenance income	An indirect subsidiary charges maintenance fees from the tenants on monthly basis and are based on fixed rates agreed.	Revenue from maintenance income is recognised over time as the services are provided.
Membership fee income	An indirect subsidiary charges membership fees to the customers on a yearly basis and are based on fixed rates agreed.	Revenue from membership fees is recognised over time as the services are provided.

(x) Definition of related party:

A related party is a person or entity that is related to the Group (“reporting entity”).

(a) A person or a close member of that person’s family is related to the Group if that person:

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or a parent of the Group.

45. Significant accounting policies (continued)

(x) Definition of related party (continued):

(b) An entity is related to the Group if any of the following conditions applies:

(i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group. If the Group is itself such a plan, the sponsoring employers are also related to the Group.

(vi) The entity is controlled, or jointly controlled by a person identified in (a).

(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(viii) The entity, or any member of a Group of which it is a part, provides key management personnel services to the Group or to the parent of the Company.

A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged.

(y) New and amended standards and interpretations 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.

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

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

  The Group is assessing the impact that the amendment will have on its 2021 financial statements.

45. Significant accounting policies (continued)

(y) New and amended standards and interpretations not yet effective (continued):

- *Annual Improvements to IFRS Standards* 2015-2017 cycle contain amendments to IFRS 3 *Business Combinations*, IFRS 11 *Joint Arrangements*, IAS 12 *Income Taxes* and IAS 23 *Borrowing Costs* that are effective for annual periods beginning on or after January 1, 2019.

  (i) The amendments to IFRS 3 and IFRS 11 clarify how an increased interest in a joint operation should be accounted for. If a party maintains or obtains joint control, then the previously held interest is not remeasured. If a party obtains control, this is a business combination achieved in stages and the acquiring party remeasures the previously held interest at fair value.

  (ii) IAS 12 is amended to clarify that all income tax consequences of dividends (including payments on financial instruments classified as equity) are recognised consistently (either in profit or loss, OCI or equity) with the transactions that generated the distributable profits.

  The Group is assessing the impact that the amendments will have on its 2020 financial statements.

- Amendments to *References to Conceptual Framework in IFRS Standards* is effective retrospectively for annual reporting periods beginning on or after January 1, 2020. The revised framework covers all aspects of standard setting including the objective of financial reporting.

  The main change relates to how and when assets and liabilities are recognised and derecognised in the financial statements are:

  - New 'bundle of rights' approach to assets will mean that an entity may recognise a right to use an asset rather than the asset itself;
  - A liability will be recognised if a company has no practical ability to avoid it. This may bring liabilities on balance sheet earlier than at present.
  - A new control-based approach to de-recognition will allow an entity to derecognise an asset when it loses control over all or part of it; the focus will no longer be on the transfer of risks and rewards.

  The Group is assessing the impact that the amendments will have on its 2021 financial statements.

45. Significant accounting policies (continued)

(y) New and amended standards and interpretations not yet effective (continued):

- 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. Entities 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.

  The Group is currently assessing the impact that this new standard will have on its 2020 financial statements.

- Amendments to IFRS 9 *Financial Instruments*, effective retrospectively for annual periods beginning on or after January 1, 2019 clarifies the treatment of:

  - 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). The prepayment amount substantially represents unpaid principal and interest and reasonable compensation. Reasonable compensation may be positive or negative. Prior to this amendment, financial assets with this negative compensation feature would have failed the solely payments of principal and interest test and be mandatorily measured at fair value through profit or loss.

  - 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 not been substantially modified. 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 the interpretation will have on its 2020 financial statements.

- IFRS 17 *Insurance Contracts*, effective for annual reporting periods beginning on or after January 1, 2022, replaces IFRS 4 *Insurance Contracts*.

  The key principles in IFRS 17 are that an entity:

  (i) Identifies as insurance contracts those contracts under which the entity accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future (the insured event) adversely affects the policyholder;

45. Significant accounting policies (continued)

(z) New and amended standards and interpretations not yet effective (continued):

- IFRS 17 *Insurance Contracts*, effective for annual reporting periods beginning on or after January 1, 2022, replaces IFRS 4 *Insurance Contracts* (continued).

  The key principles in IFRS 17 are that an entity (continued):

  (ii) Separates specified embedded derivatives, distinct investment components and distinct performance obligations from the insurance contracts;

  (iii) Recognises and measures groups of insurance contracts at:

  A. A risk-adjusted present value of the future cash flows (the fulfilment cash flows) that incorporates all of the available information about the fulfilment cash flows in a way that is consistent with observable market information; plus (if this value is a liability) or minus (if this value is an asset);

  B. An amount representing the unearned profit in the group of contracts (the contractual service margin);

  (iv) Recognises the profit from a group of insurance contracts over the period the entity provides insurance cover, and as the entity is released from risk. If a group contract is or becomes loss making, an entity recognises the loss immediately;

  (v) Presents separately insurance revenue (that excludes the receipt of repayment of any investment components) and insurance finance income or expenses;

  (vi) Includes an optional simplified measurement approach, or premium allocation approach, for simpler insurance contracts where the coverage period is less than a year or where there are no significant expected changes in estimates before the claims are incurred.

  Many of the disclosures of IFRS 4 are kept in IFRS 17. The general model requires disclosure and reconciliation of the expected present value of future cash flows, risk adjustment and contractual service margin. No reconciliation is required under the variable fee approach.

  The Group is assessing the impact that this standard will have on its 2023 financial statements.

- 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 treatments 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 authority would accept the tax treatment, or group of tax treatments, that is adopted in its income tax filing.

45. Significant accounting policies (continued)

(z) New and amended standards and interpretations not yet effective (continued):

- IFRIC 23 *Uncertainty over Income Tax Treatments* (continued)

  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.

  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.

46. Subsequent event

The exchange rate of the Jamaica dollar at November 7, 2019 , being the Bank of Jamaica weighted average exchange rate of the Jamaica dollar was US$1 to J$140.6894, £1 to J$181.9811, CDN $1 to J$107.5205, €1 to J$153.2011, and Cayman dollar 1 to J$171.3773, compared to US$1 to J$125.0201, £1 to J$164.5582, CDN $1 to J$92.9814, €1 to J$138.3505 and Cayman dollar 1 to J$153.7757,at March 31, 2019.

JAMAICA NATIONAL GROUP

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