



THE JAMAICA NATIONAL GROUP LIMITED

MINUTES OF THE 6TH ANNUAL GENERAL MEETING

PARTICULARS

- a. Date: December 12, 2023
- b. Location: Hybrid Format – Virtually via live-stream and in person
at the corporate office of The Jamaica National Group
Limited, 6A Oxford Road Kingston 5

1. CALL TO ORDER AND WELCOME

The sixth Annual General Meeting (AGM) of The Jamaica National Group Limited (“the Company”, “JN Group” or “the Group”) was called to order at 3:04 p.m. by the Deputy Chairman, Hon. Earl Jarrett, who also acted as the Chairman of the meeting. He welcomed the JN Group Chairman, Ms. Elizabeth Ann Jones, and Dr. Dhiru Tanna, JN Group Co-Deputy Chairman, who both joined virtually. Other Directors of JN Group, Executives, General Managers, employees, JN members and customers present and those viewing online by live stream in Jamaica and overseas were also welcomed.

2. NOTICE CONVENING THE MEETING

The Corporate Secretary advised that Notice of the meeting was given in accordance with the Articles of Incorporation of the Company and the Companies Act (2004).

3. PRAYER

Mr. Hugh Reid, General Manager at JN Life Insurance Company Limited (“JN Life”) prayed over the afternoon’s proceedings.

4. APOLOGIES FOR ABSENCE

An apology was tendered on behalf of Ms. Elizabeth Ann Jones on the basis that she could not, unavoidably, attend the meeting in person

5. ACKNOWLEDGEMENT OF FORMER DIRECTORS

Mr. Jarrett paid tribute to the following former directors who have passed away:

- Mr. John Small (May 2022) - Served on the boards of the Jamaica National Building Society and Jamaica National Group Limited before retiring in December 2020.

- Dr. Henry Brown (October 2022) - Served on the boards of the Jamaica National Building Society and its predecessor, St. James Benefit Building Society, for nearly three decades before retiring in 2014.
- Mrs. Shelia Alexander (October 2023) - Served as a director for almost two decades on the JN Money Services Limited (North America Board) (“JNMS NA”)

6. DIRECTOR’S CHANGES

Mr. Jarrett announced the upcoming retirement of Mr. William Mahfood, Director of JN Group , JN Financial Group Limited (“JNFM”), and Chairman of JN Money Services Limited, effective December 31, 2023.

Mr. Ian Marshall, former Chairman of JN Bank UK, had relinquished his position in January 2023. Mr. Colin Mander assumed the position of Chairman of JN Bank UK.

7. APPROVAL OF MINUTES

The minutes of the Annual General Meeting held on May 17, 2022, were approved without amendment, on a motion moved by Garfield Prendergast and seconded by Denise Subaran.

8. DIRECTORS’ REPORT AND PERFORMANCE HIGHLIGHTS

Mr. Jarrett provided an update on the operations of the JN Group, emphasizing the company’s resilience in adapting to the changing global business and economic landscape, particularly during this challenging period of its 149-year history. He discussed the global effects of the Russia-Ukraine war, including supply chain disruptions, rising inflation, and interest rate hikes by governments, including Jamaica, which impacted some of JN's investments. Despite these challenges, Mr. Jarrett highlighted the company’s use of creative strategies to maintain market share and address difficulties in certain business areas.

Mr. Jarrett presented the Directors’ Report via a PowerPoint presentation. He gave a summary of JN Group’s accomplishments for 2023 and informed the members that the 149th anniversary celebration marked the completion of the transformation of a mutual entity (beginning in February 2017) into two distinct groups: JN Financial Group and MCS Group. He highlighted that this transition had resulted in approximately 22 companies operating across 92 countries, serving 1,178,174 customers and members.

Mr. Jarrett provided an overview of the local and international economic environments, beginning with Jamaica’s recent credit upgrade by Standard & Poor’s from B- to BB-, which is expected to reduce future borrowing rates. He also highlighted a 1.9% economic growth in Q2 2023 and a significant decrease in the unemployment rate to 4.5% from 6.6% in 2022, along with a reduction in the debt-to-GDP ratio from 94.2% to 79%. He outlined the impact of international economic factors on Jamaica over the past two years, including supply chain disruptions, rising inflation,

higher interest rates, and declining global bond prices, which he described as a "Black Swan Period," urging caution. The period's economic effects were reflected in several companies, including JN Bank Limited ("JN Bank"), JN General Insurance Company Limited ("JNGI"), JN Fund Managers Limited ("JNFM"), and JN Bank UK, which reported significant net losses and fair value losses. Mr. Jarrett noted that the losses were due to both economic challenges and management issues, with corrective actions, including leadership changes, already implemented.

Mr. Jarrett reported on the factors contributing to the companies' losses. For JN Bank, there was a significant decline in net savings intake and an increase in arrears in the loan portfolio. JNGI experienced a notable decrease in claims, along with an increase in claims reserves, partly due to internal management challenges and driving conditions in Jamaica. JNFM faced a shifting investment landscape, where their usual investments underperformed, prompting management changes to address the situation. JN Bank UK's performance was affected by both the broader economy and suboptimal management decisions, leading to the appointment of a new chairman and managing director for improved direction. He also spoke about the initial plan for the establishment of a JN Cayman bank which has been paused after assessing the substantial capital and operation needs which are required under the Cayman Islands Building Society Act, particularly the mandate that 75% of any liability book must be allocated to lending.

Mr. Jarrett provided an overview of employee productivity, recognizing the contributions of staff and highlighting the organization's commitment to supporting their development. He also highlighted policies which have been developed to foster professional growth and reward excellence for employees' wellness through various initiatives. He also addressed efforts to enhance productivity in key areas, such as information technology ("IT"), human resource development ("HRD"), compliance, and risk management, as well as promoting internal collaboration through the "ONE JN" initiative. He also gave an update on the implementation of "Salesforce.com" which will be used to improve accountability and transparency.

Mr. Jarrett highlighted the Group's focus on sustainability and security in addressing challenges like vandalism and cyber threats by strengthening security measures and cybersecurity efforts. He stated that digitalization has been a key priority, with progress being made on the ONE JN passport platform and the Rubicon platform streamlining loan applications. He noted that the Visa Debit card is set for launch in 2024. Mr. Jarrett reported that the Group was approached by the Central Bank to be involved in the JAMDEX digital currency initiative. Additionally, he gave an update on the various initiatives the Jamaica National Building Society Foundation ("JN Foundation") continues to support such as the JN Circle, scholarships, and the JN Financial Academy, which helps individuals improve their financial skills. The JN Foundation launched a campaign to promote helmet use among motorcyclists to reduce fatalities in high-risk areas.

Mr. Jarrett provided an update on the financial performance of the JN Group, which employs 2,234 staff members, with a current staff satisfaction rate of 56%, indicating room for improvement in employee morale. He reported that the Group's total revenues for the year were \$30 billion, with expenses of \$26.7 billion, which resulted in a loss of \$3.9 billion with total equity at \$34.6 billion, and the total loan balance was \$143 billion. JNFM reported total revenues of \$27.6 billion and a

loss of \$3 billion, with total equity of \$32 billion. Also, he reported that while JN Money Services (JNMS) had faced a decline in market share, there was an increase in the company's profitability and the company continues to serve the Diaspora, processing 18% of remittances into Jamaica.

Mr. Jarrett highlighted that JN Life insured 86,000 lives, with insurance claims payments totaling \$264 million, and that the MCS Group showed improvement in staff satisfaction, reaching 60%, and delivered a profit of \$1.1 billion.

Mr. Jarrett gave the projected plan for the Group which included the enhancement of customer service through a customer service revolution, with a focus on digital expansion and the implementation of artificial intelligence ("AI") technologies. He stated that plans included improving the JN Live platform and collaborating with the government to increase JN Bank memberships among government employees. He also shared that the launch of the special JN JAMDEX initiative is planned for the end of the year. Additionally, Mr. Jarrett stated that the Group is prioritizing cost optimization by examining expenses and streamlining processes, while focusing on increasing capital and determining which businesses to retain. He further pointed out that the finance committee has been transformed into a group risk committee to better manage risks and allocate resources effectively.

9. QUESTIONS AND ANSWERS

The Deputy Chairman invited questions from the audience. Questions and comments received were addressed by Mr. Jarrett.

10. ADOPTION OF DIRECTORS' REPORT

The Deputy Chairman invited a motion for the resolution approving and adopting the Directors' Report for the financial year ended March 31, 2022.

On a motion moved by Mr. Picksley Irons and seconded by Ms. Viveen Esmie, the following resolution was unanimously passed by members:

"Be it resolved that the Directors' Report for the financial year ended March 31, 2022, be hereby approved and adopted."

The Deputy Chairman invited a motion for the resolution approving and adopting the Directors' Report for the financial year ended March 31, 2023.

On a motion moved by Ms. Lorna Sinclair and seconded by Ms. Camille Bailey, the following resolution was unanimously passed by members:

"Be it resolved that the Directors' Report for the financial year ended March 31, 2023, be hereby approved and adopted."

11. ELECTON OF DIRECTORS

Pursuant to Sections 97, 98 and 99 of the Articles of Incorporation of the Company, directors Dhiru Tanna, Earl Jarrett, Raphael Gordon, Jennifer Martin and Rocky Meade and being eligible, offered themselves for re-election. Mr. Gladstone Lewars introduced the retiring directors.

The motions to re-elect the directors of the Company were passed as follows:

Dr. Dhiru Tanna: Moved by Estell Davis-Wright and seconded by Tonya Grant.

Hon. Earl Jarrett: Moved by Celia Roper and seconded by Hugh Reid.

Mr. Raphael Gordon: Moved by Leesa Kow and seconded by Shakira Pickersgill.

Mrs. Jennifer Martin: Moved by Raecene Allen and seconded by Claudine Allen.

Dr. Rocky Meade: Moved by Dawnette Pryce-Thompson and seconded by Rakesh Goswami.

That the directors be re-elected *en bloc*, vis-à-vis, individually. The members present unanimously agreed and approved the following resolution:

“Be it resolved that the following directors be and are hereby re-elected as directors of the Company, en bloc”:

*Dr. Dhiru Tanna
Hon. Earl Jarrett
Mr. Raphael Gordon
Mrs. Jennifer Martin
Dr. Rocky Meade*

Mr. Jarrett responded on behalf of his fellow re-elected directors and expressed gratitude for the re-election.

12. PRESENTATION AND ADOPTION OF AUDITORS’ REPORT

The Deputy Chairman invited Ms. Cynthia Lawrence of KPMG to present the Auditors’ Report for the years ended March 31, 2022, and March 31, 2023. Ms. Lawrence read the Reports, which stated, inter alia, that the separate financial statements of the Company and the consolidated financial statements of the Company and its subsidiaries (the Group) were audited. In the opinion of the Auditors, the financial statements gave a true and fair view of the financial position of the Group and the Company as at March 31, 2022, and March 31, 2023, respectively.

The Deputy Chairman thanked Ms. Lawrence for presenting the Auditor’s Report and invited a motion from the members for its approval and adoption.

Year 2022

On a motion moved by Mr. Norman Hinds and seconded by Ms. Orlene McNeish, the following resolution was unanimously approved by members:

“Be it resolved that the Auditors’ Report for the financial year ended March 31, 2022, be hereby approved and adopted.”

Year 2023

On a motion moved by Ms. Noelle Randall and seconded by Mr. Rakesh Goswami, the following resolution was unanimously approved by members:

“Be it resolved that the Auditors’ Report for the financial year ended March 31, 2023, be hereby approved and adopted.”

13. ADOPTION OF FINANCIAL STATEMENTS

The Deputy Chairman invited a motion from the members for the adoption of the financial statements for the year ended March 31, 2022.

Year 2022

On a motion moved by Mrs. Trishana Archer-Thompson and seconded by Mrs. Paula Barrett Reid, the following resolution was unanimously approved by members:

“Be it resolved that the Financial Statements for the financial year ended March 31, 2022, be hereby approved and adopted”

The Deputy Chairman invited a motion from the members for the adoption of the financial statements for the year ended March 31, 2023.

Year 2023

On a motion moved by Mr. Phillip Service and seconded by Haile Mika’el Cujo, the following resolution was unanimously approved by members:

“Be it resolved that the Financial Statements for the financial year ended March 31, 2023, be hereby approved and adopted.”

14. APPOINTMENT OF AUDITORS

The Deputy Chairman informed the meeting that the firm, KPMG, Chartered Accountants and Auditors of the Company, retired in accordance with the Articles of Incorporation of The Jamaica National Group Limited and, being eligible, offered itself for re-appointment

On a motion moved by Mr. Michael Bernard and seconded by Ms. Denise Subaran, the following resolution was unanimously passed by members:

“Be it resolved that the retiring auditors, KPMG, Chartered Accountants, having expressed their willingness to continue as auditors of Company until the conclusion of the next Annual General Meeting, be and are hereby re-appointed and the Directors be authorized to fix their remuneration.”

15. ANY OTHER BUSINESS

Mr. Parris Lyew-Ayee emphasized the importance of punctuality in the business world and its impact on the organization's success. He challenged that JN Group consider this trait and explore ways to encourage and support employees in adopting punctuality as a key characteristic.

16. DEPUTY CHAIRMAN’S CLOSING REMARKS

Mr. Jarrett expressed his sincere appreciation and gratitude to all employees across the Group, both locally and internationally, for their ability to continuously adapt to both external and internal changes. He acknowledged that this adaptability reflects a true sense of dedication and assured employees that their efforts are not taken for granted.

17. TERMINATION

There being no further business, the AGM terminated at approximately 5:15 p.m.

Chairman

Date