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JMMB Investments
(Trinidad and Tobago) Limited

Financial Statements

As at and for the year ended 31 March 2021
(Expressed in Trinidad and Tobago dollars)

JMMB Investments (Trinidad and Tobago) Limited
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31 March 2021

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Statement of Management Responsibilities

JMMB Investments (Trinidad and Tobago) Limited

Management is responsible for the following:

- Preparing and fairly presenting the accompanying separate and consolidated financial statements of JMMB Investment (Trinidad and Tobago) Limited (the Company) and its subsidiary (together defined as the Group), which comprise the separate and consolidated statements of financial position as at 31 March 2021, the separate and consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information;

- Ensuring that the Group keeps proper accounting records;

- Selecting appropriate accounting policies and applying them in a consistent manner;

- Implementing, monitoring and evaluating the system of internal control that assures security of the Group's assets, detection/prevention of fraud, and the achievement of the Group's operational efficiencies;

- Ensuring that the system of internal control operated effectively during the reporting period;

- Producing reliable financial reporting that complies with laws and regulations, including the Companies Act; and

- Using reasonable and prudent judgement in the determination of estimates.

In preparing these separate and consolidated financial statements, management utilised the International Financial Reporting Standards, as issued by the International Accounting Standards Board and adopted by the Institute of Chartered Accountants of Trinidad and Tobago. Where International Financial Reporting Standards presented alternative accounting treatments, management chose those considered most appropriate in the circumstances.

Nothing has come to the attention of management to indicate that the Group will not remain a going concern for the next twelve months from the reporting date, or from the date the financial statements have been authorised for issue, if later.

Management affirms that it has carried out its responsibilities as outlined above.

Tricia Kissoon	Naomi Arjoonsingh
Chief Executive Officer	Chief Financial Officer
Date: June 28, 2021	Date: June 28, 2021

KPMG
Chartered Accountants
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INDEPENDENT AUDITORS' REPORT

To the Shareholders of JMMB Investments (Trinidad and Tobago) Limited

Opinion

We have audited the separate financial statements of JMMB Investments (Trinidad and Tobago) Limited (the Company) and the consolidated financial statements of the Company and its subsidiary (the Group), which comprise the Group's and the Company's statements of financial position as at March 31, 2021, the Group's and the Company's statements of profit or loss and 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 consolidated and separate financial statements present fairly, in all material respects, the financial positions of the Group and the Company as at March 31, 2021, and of its consolidated and separate financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

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 Separate and Consolidated Financial Statements* section of our report. We are independent of the Group and the Company in accordance with the International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated and separate financial statements in the Republic of Trinidad and Tobago and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KPMG

Key Audit Matters (continued)

Valuation of unquoted investment securities

Refer to Note 28 (a) "Significant Accounting Policies: Note 12 "Investment Securities" and Note 26 "Fair Value of Financial Instruments".

Description of the key audit matter	How the matter was addressed in our audit
The Group's investments measured at fair value amounted to $912 million for the Group and $901 million for the Company. Of these investments, $391 million was categorised as Level 2 for the Group and Company and $12 million was categorised as Level 3 for the Group and $4 million as Level 3 for the Company in the fair value hierarchy, as no quoted prices are available for these instruments. As a result of the COVID-19 pandemic, volatility in the financial markets and in interest rates has increased, there have been sharp declines in value, greater illiquidity of financial assets and higher credit risk for securities issuers, all of which has diminished the observability of the market data needed to measure these financial instruments, making their measurement more complex. In the absence of a quoted price in an active market, determining the fair value of financial instruments requires a complex estimate using valuation techniques that may take into consideration market data that are neither directly nor indirectly observable, or complex pricing models that require a high degree of subjectivity, which has in turn increased due to the situation arising from the COVID-19 pandemic. We have therefore considered the estimate of fair value using these.	Our audit procedures with regard to the fair value measurement of financial instruments focused on assessing the models and valuation methods used by the Group to estimate the fair value of complex financial instruments (those classified in level 2 or 3). To this end, we performed tests of controls and tests of detail on the Group's decisions and estimates, with the involvement of our own financial instrument valuation specialists. Our procedures relating to the assessment of the design and operating effectiveness of the relevant controls associated with the process of measuring financial instruments focused on the following key areas: - Identification and approval of the risk management framework and controls relating to operations in the financial markets in which the Group operates. - Evaluation of the application of the Group's accounting policies. - Examination of the key controls associated with the process of measuring financial instruments. - Analysis of the integrity, accuracy and updating of the data used and of the control and management process in place with regard to existing databases.

Key Audit Matters (continued)

Valuation of unquoted investment securities (continued)

Description of the key audit matter	How the matter was addressed in our audit
	Our procedures as regards the tests of detail performed were as follows: - We assessed the fair value of Level 2 and Level 3 financial instruments through the use of our own valuation specialist to independently test the valuation model and assess the appropriateness of the valuation by management, such as discount factors as well as utilized key underlying financial data inputs from external sources, as applicable - We selected a sample of complex financial instruments measured at fair value, for which we assessed the correctness of their classification, the appropriateness of the valuation criteria applied and the reasonableness of their valuation by contrasting this with a valuation performed independently by our specialists. - We evaluated the adjustments made by the Group to the parameters and data that have been affected by the impacts of COVID-19. No material exceptions were noted as part of our testing.

Responsibilities of Management and Those Charged with Governance for the Consolidated and the Separate Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with IFRS and for such internal control as management determines is necessary to enable the preparation of the consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's and 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 and or subsidiary or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's and the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate 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 consolidated and separate 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 consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.

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

- 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 Group's and 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 Group and 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 consolidated and separate 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 and separate 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditors' report is Marissa Quashie.

KPMG

Chartered Accountants

Port of Spain
Trinidad, and Tobago
June 28, 2021

JMMB Investments (Trinidad and Tobago) Limited

Consolidated Statement of Profit or Loss and Other Comprehensive Income

Year ended 31 March 2021

(Expressed in thousands of Trinidad and Tobago dollars)

	Note	2021	2020
		$'000	$'000
Net interest income			
Interest income calculated using the effective interest method	4	42,975	43,762
Interest expense	5	(26,336)	(27,117)
		16,639	16,645
Other revenue			
Gains on securities trading, (net)		1,737	7,590
Net loss from financial instruments a fair value through profit or loss		(3)	(282)
Fees and commission income		4,852	16,235
Foreign exchange gain (losses)		310	(1,502)
		6,896	22,041
Revenue		23,535	38,686
Other income			
Dividends		308	35
		23,843	38,721
Operating expenses			
Staff costs	6	(9,808)	(10,613)
Other expenses	7	(4,714)	(7,891)
		14,522	18,504
Profit before Impairment and Taxation		9,321	20,217
Impairment losses on financial assets	8	(1,825)	(1,178)
Profit before Taxation		7,496	19,039
Taxation	9	(1,472)	(6,229)
Profit for the Year		6,024	12,810

The notes on pages 18 to 100 are an integral part of these financial statements

(Expressed in thousands of Trinidad and Tobago dollars)

	Note	2021	2020
		$'000	$'000
Profit for the Year		6,024	12,810
Other Comprehensive Income (Loss)			
Items that are or may be reclassified subsequently to profit or loss			
Debt investments at FVOCI – reclassified to profit or loss		2,238	3,051
Related tax	15	(671)	(915)
		1,567	2,136
Change in fair value of debt instruments at FVOCI		69,791	(47,476)
Related tax	15	(20,412)	14,573
		49,379	(32,903)
Items that will not be reclassified subsequently to the profit or loss			
Net change in fair value of equity instruments designated at FVOCI		176	(2,754)
Related tax	15	(53)	653
		123	(2,101)
		51,069	(32,868)
Total comprehensive Income (Loss) for the year		57,093	(20,058)

The notes on pages 18 to 100 are an integral part of these financial statements

JMMB Investments (Trinidad and Tobago) Limited
Consolidated Statement of Financial Position
31 March 2021
(Expressed in thousands of Trinidad and Tobago dollars)

	Note	2021	2020
Assets		**$'000**	**$'000**
Cash and cash equivalents	10	161,218	115,525
Securities purchased under agreements to resell		-	9,832
Interest receivable		15,065	13,756
Accounts receivable		10,922	9,118
Taxation recoverable		70	70
Investment securities	11	912,347	717,343
Intangible assets	13	676	736
Property and equipment	14	1,773	2,308
Deferred income tax assets	15	4,467	19,559
Total assets		1,106,538	888,247
Equity and Liabilities			
Equity			
Share capital	16	100,764	100,764
Investment revaluation reserve	16	17,578	(33,491)
Retained earnings		29,418	26,667
		147,760	93,940
Liabilities			
Securities sold under agreements to repurchase	17	568,164	473,843
Secured notes payable	18	180,944	189,069
Other notes payable	19	108,031	40,381
Redeemable preference shares	20	33,802	33,651
Dividends payable		10,231	6,958
Interest payable		9,526	9,123
Accounts payable	21	36,514	36,660
Taxation payable		4,703	2,849
Deferred tax liabilities	15	6,863	1,773
		958,778	794,307
Total Equity and Liabilities		1,106,538	888,247

Approved for issue by the Board of Directors on June 07, 2021 and signed on its behalf by:

Catherine Kumar	**Director**	**Leonardo Ambrose**	**Director**

The notes on pages 18 to 100 are an integral part of these financial statements

JMMB Investments (Trinidad and Tobago) Limited
Consolidated Statement of Changes in Equity
Year ended 31 March 2021
(Expressed in thousands of Trinidad and Tobago dollars)

	Share Capital	Investment Revaluation Reserve	Retained Earnings	Total
	$'000	**$'000**	**$'000**	**$'000**
Balance at 31 March 2019	**70,764**	**(623)**	**17,341**	**87,482**
Profit for the year	-	-	12,810	12,810
Other comprehensive income (loss), net of tax				
Net change in fair value of debt and equity instruments at FVOCI	-	(35,004)	-	(35,004)
Debt instruments at FVOCI – reclassified to profit or loss	-	2,136	-	2,136
Total comprehensive income (loss) for year	-	(32,868)	12,810	(20,058)
Transactions with owners of the Company				
Issue of shares	30,000	-	-	30,000
Dividends declared	-	-	(3,484)	(3,484)
Total transactions with owners of the Company	30,000	-	(3,484)	26,516
Balance at 31 March 2020	**100,764**	**(33,491)**	**26,667**	**93,940**
Balance at 1 April 2020	100,764	(33,491)	26,667	93,940
Profit for the year	-	-	6,024	6,024
Other comprehensive income, net of tax				
Net change in fair value of debt and equity instruments at FVOCI	-	49,502	-	49,502
Debt instruments at FVOCI – reclassified to profit or loss		1,567		1,567
Total comprehensive income for year	-	51,069	6,024	57,093
Transactions with owners of the Company				
Dividends declared	-	-	(3,273)	(3,273)
Balance at 31 March 2021	**100,764**	**17,578**	**29,418**	**147,760**

JMMB Investments (Trinidad and Tobago) Limited
Consolidated Statement of Cash Flows
Year ended 31 March 2021
(Expressed in thousands of Trinidad and Tobago dollars)

	Note	2021	2020
		$'000	$'000
Cash Flows from Operating Activities			
Profit for the year		6,024	12,810
Adjustments for:			
Interest income	4	(42,975)	(43,762)
Interest expense	5	26,336	27,117
Taxation	9	1,472	6,229
Impairment losses on financial assets	8	1,825	1,178
Depreciation on property and equipment	14	830	816
Exchange loss (gain) on redeemable preference shares		151	(134)
Write-off of intangible assets	13	-	387
Amortisation of intangible assets	13	60	60
		(6,277)	4,701
Changes in operating assets and liabilities:			
Accounts receivable		(1,923)	10,602
Securities purchased on agreements to resell		9,832	16,195
Securities sold under agreements to repurchase		94,321	2,675
Accounts payable		(116)	(4,988)
		95,837	29,185
Interest received		41,666	41,013
Interest paid		(25,933)	(26,946)
Taxation paid		(576)	(953)
Net cash from operating activities		**110,994**	**42,299**
Cash Flows from Investing Activities			
Purchase of property and equipment	14	(293)	(1,191)
Purchase of investment securities		(187,494)	(221,170)
Proceeds from sale or maturity of investment securities		62,961	251,611
Net cash (used in) from investing activities		**(124,826)**	**29,250**
Cash Flows from Financing Activities			
Proceeds from issue of shares	16	-	30,000
Purchase of secured notes payable	18	(123,938)	(147,623)
Proceeds from issuance of secured notes payable	18	115,813	112,991
Purchase of other notes payables	19	(40,381)	(40,542)
Proceeds from issuance of other notes payable	19	108,031	40,381
Net cash flows from (used in) financing activities		**59,525**	**(4,793)**
Net increase in cash and cash equivalents		45,693	66,756
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		115,525	48,769
CASH AND CASH EQUIVALENTS AT END OF YEAR	10	**161,218**	**115,525**

The notes on pages 18 to 100 are an integral part of these financial statements

JMMB Investments (Trinidad and Tobago) Limited
Separate Statement of Profit or Loss and Other Comprehensive Income
Year ended 31 March 2021
(Expressed in thousands of Trinidad and Tobago dollars)

	Note	2021	2020
		$'000	**$'000**
Net interest income			
Interest income calculated using the effective interest method	4	42,876	43,762
Interest expense	5	(26,336)	(27,117)
		16,540	16,645
Other revenue			
Gain on securities trading, net		1,737	6,817
Fees and commission income		2,028	12,177
Foreign exchange gains (losses)		326	(1,266)
		4,091	17,728
Revenue		20,631	34,373
Other income			
Dividends		-	10
		20,631	34,383
Operating expenses			
Staff costs	6	(9,105)	(9,882)
Other expenses	7	(2,918)	(5,840)
		(12,023)	(15,722)
Profit before Impairment and Taxation		8,608	18,661
Impairment losses on financial assets	8	(1,735)	(1,204)
Profit before Taxation		6,873	17,457
Taxation	9	(1,435)	(6,174)
Profit for Year		5,438	11,283

(Expressed in thousands of Trinidad and Tobago dollars)

	Note	2021	2020
		$'000	$'000
Profit for the Year		5,438	11,283
Other Comprehensive Income			
***Item that are or may be reclassified subsequently to profit or loss*:**			
Debt instruments at FVOCI – reclassified to in profit or loss		2,238	3,051
Related tax	15	(671)	(915)
		1,567	2,136
Change in fair value of debt instruments at FVOCI		69,791	(47,476)
Related tax	15	(20,412)	14,573
		49,379	(32,903)
		50,946	(30,767)
Total Comprehensive Income (Loss) for Year		56,384	(19,484)

The notes on pages 18 to 100 are an integral part of these financial statements.

JMMB Investments (Trinidad and Tobago) Limited
Separate Statement of Financial Position
31 March 2021
(Expressed in thousands of Trinidad and Tobago dollars)

	Note	2021 $'000	2020 $'000
Assets			
Cash and cash equivalents	10	139,170	86,160
Securities purchased under agreements to resell		-	9,832
Interest receivable		15,065	13,756
Taxation recoverable		70	70
Investment securities	11	901,378	708,548
Investment in subsidiary	12	5,364	5,364
Accounts receivable		3,093	7,766
Property and equipment	14	1,773	2,308
Deferred tax assets	15	1,147	16,240
Total assets		1,067,060	850,044
Equity and Liabilities			
Equity			
Share capital	16	100,764	100,764
Investment revaluation reserve	16	16,131	(34,815)
Retained earnings		16,638	14,473
		133,533	80,422
Liabilities			
Securities sold under agreements to repurchase	17	568,164	473,843
Secured notes payable	18	180,944	189,069
Other notes payable	19	108,031	40,381
Redeemable preference shares	20	33,802	33,651
Dividend payable		10,231	6,958
Interest payable		9,526	9,123
Accounts payable	21	13,089	13,748
Taxation payable		4,703	2,849
Deferred tax liabilities	15	5,037	-
		933,527	769,622
Total equity and liabilities		1,067,060	850,044

Approved for issue by the Board of Directors on June 07, 2021 and signed on its behalf by:

Catherine Kumar	**Director**	**Leonardo Ambrose**	**Director**

JMMB Investments (Trinidad and Tobago) Limited
Separate Statement of Changes in Equity
Year ended 31 March 2021
(Expressed in thousands of Trinidad and Tobago dollars)

	Share Capital	Investment Revaluation Reserve	Retained Earnings	Total
	$'000	**$'000**	**$'000**	**$'000**
Balance at 31 March 2019	70,764	(4,048)	6,674	73,390
Profit for the year	-	-	11,283	11,283
Other comprehensive income, net of tax				
Debt securities at FVOCI – reclassified to profit or loss	-	2,136	-	2,136
Net change in fair value of debt and equity instruments at FVOCI	-	(32,903)	-	(32,903)
Total comprehensive income (loss) for year	-	(30,767)	11,283	(19,484)
Transactions with owners of the Company:				
Issue of shares	30,000	-	-	30,000
Dividends declared	-	-	(3,484)	(3,484)
Total transactions with owners of the Company	30,000	-	(3,484)	26,516
Balance at 31 March 2020	**100,764**	**(34,815)**	**14,473**	**80,422**
Balance at 1 April 2020	100,764	(34,815)	14,473	80,422
Profit for the year	-	-	5,438	5,438
Other comprehensive income, net of tax				
Debt securities at FVOCI – reclassified to profit or loss	-	1,567	-	1,567
Net change in fair value of debt and equity instruments at FVOCI	-	49,379	-	49,379
Total comprehensive income for year	-	50,496	5,438	56,384
Transactions with owners of the Company				
Dividends declared	-	-	(3,273)	(3,273)
Balance at 31 March 2021	**100,764**	**16,131**	**16,638**	**133,533**

JMMB Investments (Trinidad and Tobago) Limited
Separate Statement of Cash Flows
Year ended 31 March 2021
(Expressed in thousands of Trinidad and Tobago dollars)

	Note	2021 $'000	2020 $'000
Cash Flows from Operating Activities			
Profit for the year		5,438	11,283
Adjustments for:			
Interest income	4	(42,876)	(43,762)
Interest expense	5	26,336	27,117
Taxation	9	1,435	6,174
Impairment losses on financial assets	8	1,735	1,204
Write-off of intangible assets	13	-	387
Exchange loss (gain) redeemable preference shares		151	(134)
Depreciation on property and equipment	14	830	816
		(6,951)	3,085
Changes in operating assets and liabilities:			
Accounts receivable		4,673	2,650
Securities sold under agreements to repurchase		94,321	2,675
Accounts payable		(659)	(12,317)
Securities purchased under agreements to resell		9,832	16,633
		101,216	12,726
Interest received		41,567	41,013
Interest paid		(25,933)	(26,946)
Taxation paid		(539)	(889)
Net cash from operating activities		116,311	25,904
Cash Flows from Investing Activities			
Purchase of property and equipment	14	(293)	(1,191)
Purchase of investment securities		(185,494)	(220,818)
Proceeds from sale or maturity of investment securities		62,961	251,611
Net cash (used in) from investing activities		(122,826)	29,602
Cash Flows from Financing Activities			
Proceeds from issuance of secured notes payable	18	115,813	112,237
Purchase of secured notes payable	18	(123,938)	(147,623)
Proceeds from issuance of other notes payable	19	108,031	40,381
Purchase of other notes payable	19	(40,381)	(40,542)
Proceeds from shares issued	16	-	30,000
Net cash from (used in) financing activities		59,525	(4,793)
Net increase in cash and cash equivalents		53,010	50,713
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		86,160	35,447
CASH AND CASH EQUIVALENTS AT END OF YEAR	10	139,170	86,160

1. General Information

JMMB Investments (Trinidad and Tobago) Limited ("the Company") is a limited liability company, incorporated and domiciled in Trinidad and Tobago, with registered office at #169 Tragarete Road, Port of Spain, Trinidad and Tobago. The Company was incorporated on October 19, 2011. The Company is a fully owned subsidiary of Jamaica Money Market Brokers (Trinidad and Tobago) Limited, a company licenced to carry on the business of a financial holding company pursuant to Section 70 of the Financial Institutions Act, 2008. The ultimate parent, JMMB Group Limited, is incorporated and domiciled in Jamaica. The registered office of the ultimate parent is located at 6 Haughton Terrace, Kingston 10, Jamaica.

The Company is a licensed securities dealer and its principal activities are dealing in securities and stock brokering. It has one subsidiary, as follows:

Name of Subsidiary	% Shareholding	Country of Incorporation	Principal Activities
JMMB Securities (Trinidad and Tobago) Limited	100	Trinidad and Tobago	Stock brokering

The consolidated financial statements comprise the Company and its wholly owned subsidiary (together referred to as the Group). References to the Group also include the Company unless stated otherwise.

2. Basis of Preparation

(a) Basis of accounting

These financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Details of the Group's accounting policies are included in Notes 28.

(b) Basis of measurement

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

- financial instruments at fair value through profit or loss (FVTPL).
- financial assets at fair value through other comprehensive income (FVOCI).

(c) Functional and presentation currency

These financial statements are presented in Trinidad and Tobago dollars, which is the functional currency of the Company and its subsidiary, and the presentation currency of the Group, and are expressed in thousands of dollars unless otherwise stated.

2. Basis of Preparation (continued)

(d) Use of estimates and judgements

The preparation of the financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of, and disclosures relating to, assets, liabilities, contingent assets and contingent liabilities at the reporting date and the income and expenses for the year then ended.

Note 3 provides an overview of the areas that involve a higher degree of judgement or complexity, and major sources of estimation uncertainty that have a significant risk of resulting in a material adjustment within the next financial year. Detailed information about each of these estimates and judgements is included in the related notes together with information about the basis of calculation for each affected line item in the consolidated and separate financial statements.

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.

3. Critical Accounting Judgements and Key Sources of Estimation Uncertainty

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

(a) Key sources of estimation uncertainty

(i) Impairment of financial assets

The measurement of the expected credit loss allowance for financial assets measured at amortised cost and fair value through other comprehensive income (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/issuers defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation techniques used in measuring ECL is further detailed in Note 24 (a.ii), 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 with qualitative factors incorporated for the economic impact of COVID-19;
- 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.

3. Critical Accounting Judgements and Key Sources of Estimation Uncertainty (continued)

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

(ii) Fair value of financial instruments

There are no quoted market prices for a significant portion of the Group's financial assets and financial liabilities. Accordingly, fair values of the financial assets are estimated using prices obtained from other sources. There is significant uncertainty inherent in this approach, particularly due to COVID-19 with the fair values estimated being categorised as Level 2 fair values, consequently, the estimates arrived at may be different from the actual price of the instrument in an actual arm's length transaction (see Notes 11 and 26 and 28(a)).

(b) Critical accounting judgements in applying the company's accounting policies

The Group's accounting policies provide scope for assets and liabilities to be designated on inception into different accounting categories in certain circumstances:

For the purpose of these consolidated and separate financial statements, prepared in accordance with IFRS, judgement refers to the informed identification and analysis of reasonable alternatives, considering all relevant facts and circumstances, and the well-reasoned, objective and unbiased choice of the alternative that is most consistent with the agreed principles set out in IFRS.

(i) Classification of financial assets

In classifying financial assets, management makes judgements about whether the criteria are met. For example, the determination of whether a financial asset may be classified fair value through profit or loss (FVTPL), FVOCI, or amortised cost. Also, whether a security's fair value may be classified as 'Level 1' in the fair value hierarchy requires judgement as to whether a market is active.

(ii) Deferred tax assets

Deferred tax assets are recognized for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

(Expressed in thousands of Trinidad and Tobago dollars)

4. Interest Income Calculated Using the Effective Interest Method

	The Group		The Company	
	2021	**2020**	**2021**	**2020**
	$'000	**$'000**	**$'000**	**$'000**
Interest income from investment securities at FVOCI	42,893	43,758	42,794	43,758
Other interest income	82	4	82	4
	42,975	43,762	42,876	43,762

5. Interest Expense on Liabilities Measured at Amortised Cost

	The Group		The Company	
	2021	**2020**	**2021**	**2020**
	$'000	**$'000**	**$'000**	**$'000**
Interest expense on securities sold under agreements to repurchase	13,280	15,078	13,280	15,078
Interest expense on preference shares	2,097	2,025	2,097	2,025
Interest expense on secured notes	6,288	7,585	6,288	7,585
Interest expense on other notes payable	4,671	2,429	4,671	2,429
	26,336	27,117	26,336	27,117

(Expressed in thousands of Trinidad and Tobago dollars)

6. Staff Costs

	The Group		The Company	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
Salaries and wages	7,571	8,835	6,923	8,204
Statutory payroll contributions	611	586	582	556
Pension scheme contributions	215	582	192	536
Training and development	29	86	30	86
Other staff benefits	1,382	524	1,378	500
	9,808	10,613	9,105	9,882

7. Other Expenses

		The Group		The Company	
		2021	2020	2021	2020
	Notes	$'000	$'000	$'000	$'000
Bank charges		18	53	18	53
Depreciation	14	830	816	830	816
Amortisation	13	60	60	-	-
Legal and other professional fees		295	1,255	81	1,053
Auditors' remuneration		287	234	127	111
Stationery and printing		36	116	22	60
Utilities		175	181	87	90
Travel and entertainment		10	357	10	322
Equipment and motor vehicle rental		-	64	-	64
Information technology expenses		442	669	317	576
Repairs and maintenance		187	199	111	109
Directors' fees		458	413	458	413
Office rental		1,453	1,344	725	669
Security		100	223	52	123
Donations and subscriptions		46	136	19	79
Insurance		74	42	12	2
Advertising and promotion		205	577	146	319
Other		38	1,152	(97)	981
		4,714	7,891	2,918	5,840

With regard to property expenses all leases are considered short term or of low value.

(Expressed in thousands of Trinidad and Tobago dollars)

8. Impairment Losses on Financial Assets

	The Group		The Company	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
Net impairment losses:				
Impairment loss on investment securities	1,735	1,204	1,735	1,204
Impairment (reversal) on receivables	90	(26)	-	-
	1,825	1,178	1,735	1,204

9. Taxation

Income tax is computed at 30% on the profit for the year adjusted for tax purpose. Green Fund Levy is computed at 0.3% of gross revenue. Business levy is calculated as 0.6% of gross revenue.

(i) Taxation charge

	The Group		The Company	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
Current income tax:				
Green Fund levy	196	347	184	329
Business levy	380	598	355	561
Provision for charge on current year's profit	1,849	2,849	1,849	2,849
Deferred income tax relating to the origination and reversal of temporary differences				
Current year (Note 15)	(953)	2,435	(953)	2,435
	1,472	6,229	1,435	6,174

(Expressed in thousands of Trinidad and Tobago dollars)

9. **Taxation** (continued)

(ii) ***Reconciliation of the effective tax rate***

	The Group				The Company			
	2021		2020		2021		2020	
	%	$'000	%	$'000	%	$'000	%	$'000
Profit before taxation	100	7,496	100	19,039	100	6,873	100	17,457
Tax calculated at statutory rates	30%	2,249	30%	5,712	30%	2,062	30%	5,237
Adjusted for the effects of:								
Income not subject to tax	(8%)	(609)	(3%)	(608)	(7%)	(514)	(3%)	(576)
Tax losses recognized	(2%)	(138)	(3%)	(632)	-	-	-	-
Change in estimates relating to prior years	(5%)	(352)	5%	919	(5%)	(352)	5%	919
Green fund levy	3%	196	1%	249	3%	184	1%	231
Business levy	0%	25	0%	37	-	-	-	-
Expenses not allowable	1%	83	3%	534	1%	55	2%	-
Other	0%	18	0%	18	-	-	-	-
	20%	1,472	34%	6,229	22%	1,435	35%	6,174

As at the reporting date tax losses, subject to agreement of the Board of Inland Revenue available for set off against future taxable profits, amounted to $16,279 (2020: $16,382) for the Group and NIL (2020: NIL) for the Company, of which $5,216 (2020: $5,319) was not recognised as a deferred asset.

10. Cash and Cash Equivalents

	The Group		The Company	
	2021	2020	2021	2020
	$000	$'000	$'000	$'000
Balances held with related party	133,015	98,216	112,641	71,227
Balances held with other banks	28,203	17,309	26,529	14,933
	161,218	115,525	139,170	86,160

11. Investment Securities

	The Group		The Company	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
Investment securities at FVOCI				
Government of Trinidad and Tobago securities	373,789	210,888	373,789	210,888
Other sovereign bonds	56,671	52,070	56,671	52,070
Corporate bonds	466,543	442,210	466,543	442,210
Quoted and unquoted equities	12,301	11,131	4,375	3,380
Investment securities at FVTPL - equity instruments	3,043	1,044	-	-
	912,347	717,343	901,378	708,548

Investment securities of $807,393 (2020: $709,382) are pledged under the Group's sale and repurchase agreements (Note 17) and secured notes payable (Note 18).

11. Investment Securities (continued)

The maturity profile of investment securities from the reporting date is as follows:

	The Group		The Company	
	2021	**2020**	**2021**	**2020**
	$000	**$'000**	**$'000**	**$'000**
Government of Trinidad and Tobago securities:				
Within 3 months	6,000	232	6,000	232
From 3 months to 1 year	6,028	668	6,028	668
From 1 year to 5 years	111,842	70,642	111,842	70,642
Over 5 years	249,919	139,346	249,919	139,346
	373,789	210,888	373,789	210,888
Other sovereign bonds:				
Within 3 months	-	-	-	-
From 3 months to 1 year	-	-	-	-
From 1 year to 5 years	7,538	6,869	7,538	6,869
Over 5 years	49,133	45,201	49,133	45,201
	56,671	52,070	56,671	52,070
Corporate bonds:				
Within 3 months	13,226		13,226	
From 3 months to 1 year	2,774	25,963	2,774	25,963
From 1 year to 5 years	204,483	181,767	204,483	181,767
Over 5 years	246,060	234,480	246,060	234,480
	466,543	442,210	466,543	442,210
Equities				
No fixed maturities	15,344	12,175	4,375	3,380
	912,347	717,343	901,378	708,548
Summary				
Within 3 months	19,226	232	19,226	232
From 3 months to 1 year	8,802	26,631	8,802	26,631
From 1 year to 5 years	323,863	259,278	323,863	259,278
Over 5 years	545,112	419,027	545,112	419,027
No fixed maturities	15,344	12,175	4,375	3,380
	912,347	717,343	901,378	708,548

12. Interest in subsidiary

Interest in subsidiary comprises equity shares at cost.

(Expressed in thousands of Trinidad and Tobago dollars)

13. Intangible Assets

	The Group				
	Computer Software	Trade Mark	License	Customer List	Total
	$'000	$'000	$'000	$'000	$'000
Cost					
1 April 2019	391	12	620	483	1,506
Write off	(387)	-	-	-	(387)
31 March 2020 and 2021	4	12	620	483	1,119
Accumulated Amortisation					
1 April 2019	4	12	-	307	323
Charge for the year	-	-	-	60	60
31 March 2020	4	12		367	383
Charge for the year	-	-	-	60	60
31 March 2021	4	12	-	427	443
Net Book Value					
31 March 2021	-	-	620	56	676
31 March 2020	-	-	620	116	736

(Expressed in thousands of Trinidad and Tobago dollars)

14. Property and Equipment

	The Group			
	Leasehold Improvements	**Furniture & Fixtures**	**Computer Equipment**	**Total**
	$'000	**$'000**	**$'000**	**$'000**
Cost				
1 April 2019	1,993	1,449	599	4,041
Additions	367	546	278	1,191
31 March 2020	2,360	1,995	877	5,232
Additions	106	48	139	293
31 March 2021	2,466	2,043	1,016	5,525
Accumulated Depreciation				
1 April 2019	1,196	496	416	2,108
Charge for the year	424	250	142	816
31 March 2020	1,620	746	558	2,924
Charge for the year	426	267	137	830
Adjustments	1	2	(5)	(2)
31 March 2021	2,047	1,015	690	3,752
Net book Value				
31 March 2021	419	1,028	326	1,773
31 March 2020	740	1,249	319	2,308

(Expressed in thousands of Trinidad and Tobago dollars)

14. Property and Equipment (continued)

	The Company			
	Leasehold Improvements	Furniture & Fixtures	Computer Equipment	Total
	$'000	$'000	$'000	$'000
Cost				
1 April 2019	1,993	1,442	603	4,038
Additions	367	546	278	1,191
31 March 2020	2,360	1,988	881	5,229
Additions	106	48	139	293
31 March 2021	2,466	2,036	1,020	5,522
Accumulated Depreciation				
1 April 2019	1,189	505	411	2,105
Charge for the year	424	250	142	816
31 March 2020	1,613	755	553	2,921
Charge for the year	426	267	137	830
Adjustments	1	2	(5)	(2)
31 March 2021	2,040	1,024	685	3,749
Net Book Value				
31 March 2021	426	1,012	335	1,773
31 March 2020	747	1,233	328	2,308

(Expressed in thousands of Trinidad and Tobago dollars)

15. Deferred Taxes

Deferred tax assets and liabilities recognised in the statement of financial position are as follows:

	The Group	
	2021	**2020**
	$'000	**$'000**
Deferred tax assets		
Property and equipment	265	194
Tax losses	3,319	3,319
Impairment losses on financial assets	883	-
Investment securities	-	16,046
	4,467	19,559
Deferred tax liabilities		
Investment securities	(6,863)	(1,773)
Net deferred tax (liability) asset	(2,396)	17,786

The movement in the deferred i tax account is as follows:

	The Group			
		Recognised in		
	Balance at 1 April 2020	**Profit or Loss**	**Other Comprehensive Income**	**Balance at 31 March 2021**
	$'000	**$'000**	**$'000**	**$'000**
Deferred tax assets				
Property and equipment	194	71	-	265
Tax losses	3,319	-	-	3,319
Impairment losses on financial assets	-	883	-	883
Investment securities	16,046	-	(16,046)	-
	19,559	954	(16,046)	4,467
Deferred tax liabilities				
Investment securities	(1,773)	-	(5,090)	(6,863)
	17,786	954	(21,136)	(2,396)

(Expressed in thousands of Trinidad and Tobago dollars)

15. Deferred Taxes (continued)

	The Group			
		Recognised in		
	Balance at 1 April 2019	Profit or Loss	Other Comprehensive Income	Balance at 31 March 2020
	$'000	$'000	$'000	$'000
Deferred tax assets				
Property and equipment	104	90	-	194
Tax losses	5,845	(2,526)	-	3,319
Impairment losses on financial assets				
Investment securities	2,388	-	13,658	16,046
	8,337	(2,436)	13,658	19,559
Deferred tax liabilities				
Investment securities	(2,426)	-	653	(1,773)
	5,911	(2,436)	14,311	17,786

	The Company	
	2021	2021
	$'000	$'000
Deferred tax assets		
Property and equipment	265	194
Impairment losses on financial assets	882	-
Investment securities	-	16,046
	1,147	16,240
Deferred tax liabilities		
Investment securities	(5,037)	-
Net deferred tax (liability) asset	(3,890)	16,240

(Expressed in thousands of Trinidad and Tobago dollars)

15. Deferred Taxes (continued)

	The Company			
		Recognised in		
	Balance at 1 April 2020	Profit or Loss	Other Comprehensive Income	Balance at 31 March 2021
	$'000	$'000	$'000	$'000
Deferred tax assets				
Property and equipment	194	71	-	265
Impairment losses on financial assets	-	882	-	882
Investment securities	16,046		(16,046)	-
	16,240	953	(16,046)	1,147
Deferred tax liabilities				
Investment securities	-	-	(5,037)	(5,037)
	16,240	953	(21,083)	(3,890)

	The Company			
		Recognised in		
	Balance at 1 April 2019	Profit or Loss	Other Comprehensive Income	Balance at 31 March 2020
	$'000	$'000	$'000	$'000
Deferred tax assets				
Property equipment	104	90	-	194
Investment securities	2,388	-	13,658	16,046
Tax losses	2,525	(2,525)	-	-
	5,017	(2,435)	13,658	16,240

(Expressed in thousands of Trinidad and Tobago dollars)

16. Share Capital and Reserves

(i) Share capital

	2021 Number of shares	2020 Number of shares	2021 $'000	2020 $'000
Authorised:				
Ordinary shares	100,763,490	100,763,490	100,764	100,764
Issued and fully paid:				
Ordinary shares	100,763,490	100,763,490	100,764	100,764
Stated capital				
At beginning of year	100,763,490	70,763,490	100,764	70,764
Issued during the year	-	30,000,000	-	30,000
At end of year	100,763,490	100,763,490	100,764	100,764

The Company has elected, under the Companies Act 1995, to maintain par value status for its ordinary shares.

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings at the Company. All ordinary shares rank equally with regard to the Company's residual assets.

(ii) Investment revaluation reserve

Nature and purpose of reserve

The investment revaluation reserve comprises the cumulative net change in the fair value of debt securities measured at FVOCI until the assets are derecognised or reclassified. This amount is increased by the amount of the loss allowance.

17. Securities Sold Under Agreements to Repurchase

	The Group		The Company	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
Denominated in Trinidad and Tobago dollars	377,636	274,611	377,636	274,611
Denominated in United States dollars	190,528	199,232	190,528	199,232
	568,164	473,843	568,164	473,843

Repurchase agreements are collateralized by certain securities and other instruments held by the Group and the Company with a carrying value of $589,958 (2020: $488,463) (Note 11).

(Expressed in thousands of Trinidad and Tobago dollars)

18. Secured Notes Payable

	The Group		The Company	
	2021	**2020**	**2021**	**2020**
	$'000	**$'000**	**$'000**	**$'000**
(i) Senior secured fixed rate TT$ notes	103,200	111,000	103,200	111,000
(ii) Senior secured fixed rate US$ notes	77,744	78,069	77,744	78,069
	180,944	189,069	180,944	189,069

Both the TT$ and US$ notes were refinanced during the financial year which created additional tranches (see Note (i) and (ii) below. These are secured by certain securities and other instruments held by the Group and the Company with a carrying value of $217,435 thousand (2020: $220,919 thousand) (Note 11).

(i) This represents fixed rate TT$ debt issued in two tranches bearing interest from 3.15% to 3.75% per annum, payable on a semi-annual basis. The notes mature in November 2021 and November 2022 and are secured by investment securities (Note 11).

(ii) This represents fixed rate US$ debt issued in two tranches bearing interest from 3.15% to 3.65% per annum, payable on a semi-annual basis. The notes mature in November 2021 and November 2022 and are secured by investment securities (Note 11).

Reconciliation of movements of liabilities to cashflow arising from financing activities:

	2021	2020
	$'000	**$'000**
Balance at 1 April	189,069	223,701
Purchase of debt securities	(123,938)	(147,623)
Proceeds from issue of debt securities	115,813	112,991
Balance at 31 March	180,944	189,069

19. Other Notes Payable

	The Group		The Company	
	2021	**2020**	**2021**	**2020**
	$'000	**$'000**	**$'000**	**$'000**
(i) Due to related party	86,501	40,381	86,501	40,381
(ii) Unsecured fixed rate TT$ note	21,530	-	21,530	-
	108,031	40,381	108,031	40,381

(Expressed in thousands of Trinidad and Tobago dollars)

19. Other Notes Payable (continued)

(i) These are unsecured promissory notes which bear interest ranging from 2.4% to 6.5%. There are no specific conditions or terms attached to these related party balances.

(ii) During the year the Company issued short term TT$ unsecured debt bearing interest at 3.25% and maturing in November 2021.

Reconciliation of movements of liabilities to cashflow arising from financing activities:

	2021	2020
	$'000	$'000
Balance at 1 April 2020	40,381	40,542
Purchase of debt securities	(40,381)	(40,542)
Proceeds from issue of debt securities	108,031	40,381
Balance at 31 March 2021	108,031	40,381

20. Redeemable Preference Shares

	The Group		The Company	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
JMMB Group Limited	33,802	33,651	33,802	33,651

On the 14 March 2015, the Company issued 5,000,000 6% fixed rate cumulative redeemable preference shares at a price of US$1.00. Dividends are paid quarterly, and shares are redeemable in full at maturity on 14 January 2024.

21. Accounts Payable

	Group		Company	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
Trade payables	16,733	9,810	-	-
Other payables	3,969	10,721	1,337	4,487
Related party balances	15,812	16,129	11,752	9,261
	36,514	36,660	13,089	13,748

22. Related Party Transactions and Balances

(a) A related party is a person or entity that is related to the entity that is preparing its financial statements (referred to in IAS 24, *Related Party Disclosures* as the "reporting entity" in this case, "the Group").

(i) A person or a close member of that person's family is related to a reporting entity if that person:

(1) has control or joint control over the Group;

(2) has significant influence over the Group; or

(3) is a member of the key management personnel of the company or of a parent of the Group.

(ii) An entity is related to the Group and Company if any of the following conditions applies:

(1) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(2) 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).

(3) Both entities are joint ventures of the same third party.

(4) One entity is a joint venture of a third entity and the other entity is an associate of the third

(5) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the Group.

(6) The entity is controlled, or jointly controlled by a person identified in (i).

(7) A person identified in (i)(1) 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).

(8) 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 Group.

A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged.

(b) Identity of related parties

Related parties include the Company's subsidiary, the Group's fellow subsidiaries and ultimate parent company, as well as their directors and executive management.

(Expressed in thousands of Trinidad and Tobago dollars)

22. Related Party Transactions and Balances (continued)

(c) **The statement of financial position includes balances, arising in the normal course of business, with related parties, as follows:**

	Note	The Group 2021 $'000	The Group 2020 $'000	The Company 2021 $'000	The Company 2020 $'000
Due from related parties:					
Affiliated companies					
Reverse Repos		-	9,832	-	9,832
Receivables		787	820	-	-
Investment securities		-	-	-	-
Cash and cash equivalents	10	133,015	98,216	112,641	71,227
Subsidiary		-	-	256	1,297
		133,802	108,868	112,897	82,356
Due to related parties:					
Affiliated companies					
Accounts payable		15,812	16,129	11,752	9,261
Securities sold under agreements to repurchase	17	14,316	40,086	14,316	40,086
Secured Notes		-	3,365	-	3,365
Other notes payable	19	17,896	-	17, 896	-
Ultimate parent company					
Redeemable preference shares	20	33,802	33,651	33,802	33,651
Other notes payable	19	68,605	65,381	68,605	65,381
Securities sold under agreements to repurchase		106	-	106	-
Dividend payable (Repurchase Agreements)		10,231	6,958	10,231	6,958
Directors and key management					
Securities sold under agreements to repurchase		266	-	266	-
		161,034	165,570	156,974	158,702

For related party transactions, general payables and receivables have no specific condition or terms attached to the transaction.

(Expressed in thousands of Trinidad and Tobago dollars)

22. Related Party Transactions and Balances (continued)

(d) The statement of profit or loss includes amounts arising in the normal course of business, with related parties, as follows:

	The Group		The Company	
	2021	**2020**	**2021**	**2020**
	$'000	**$'000**	**$'000**	**$'000**
Interest expense	12,813	12,039	12,813	12,039

(e) Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly. Such persons comprise the directors, senior management and company secretary. The compensation paid or payable to key management for employee services is as shown below:

	The Group		The Company	
	2021	**2020**	**2021**	**2020**
	$'000	**$'000**	**$'000**	**$'000**
Directors fees	458	413	458	413
Short-term employee benefits	1,157	860	1,157	860
Post-employment benefits	116	-	116	-
	1,731	1,273	1,731	1,273

23. Leases

Due to termination options the Group's leases for office space are classified as short term leases and no right of use assets or lease liabilities has been recognized.

The Group leases office equipment with contract terms of one to three years. These leases are short- term and/or leases of low-value items. The Group has elected not to recognised right of use assets and lease liabilities for these leases.

(i) Amounts recognised in profit or loss

	Group	Company
	$'000	**$'000**
2021 – Leases under IFRS 16		
Expenses relating to short-term and low value leases	1,511	783
2020 – Leases under IFRS 16		
Expenses relating to short-term and low value leases	1,648	908

24. Financial Risk Management

A financial instrument is any contract that gives rise to a financial asset of one enterprise and financial liability or equity instrument of another enterprise.

The Group has exposure to the following risk from its use of financial instruments:

- Credit Risk
- Settlement Risk
- Liquidity Risk
- Market Risk
- Operational Risk

This note presents information about the Group's exposure to each of the above risks, its objectives, policies and processes for measuring and managing risk, and its management of capital.

The Board of Directors (the Board) has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Board has delegated responsibilities to various sub committees for the areas of Market Risk Management, Audit and Enterprise Risk Management. These Board sub committees currently employ an integrated Enterprise Risk Management Framework supported by several Management Committees in order to ensure the maximization of shareholders' value within the Group's risk appetite.

The Group's Asset and Liability Committee (ALCO) is responsible for the development and monitoring of the Group's risk management policies, which are approved by the Board of Directors. All Board committees have non-executive members and report regularly to the Board.

The Group's Risk Management policies, establish a framework for identification, analysis and measurement of the risks faced by the Group, setting of appropriate risk limits and controls, as well as the monitoring of risks and adherence to limits through Risk reports and dashboard. 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 continuously develop a disciplined and constructive control environment, in which all team members understand their roles and obligations

The Group's Board of Directors and Audit Committee are responsible for monitoring compliance with the Group's Risk Management policies and procedures and for reviewing the adequacy of the Risk Management Framework in relation to the risks faced by the Group in keeping with the risk appetite. The Board Risk Committee of the ultimate parent regularly reviews and monitors compliance with the Group's risk management policies. The Group Audit and Risk Committees are assisted in these functions by Internal Audit, Compliance and Risk Departments. Internal Audit undertakes both planned and special reviews of risk management controls and procedures, the results of which are reported quarterly to the Board Audit committee. The Risk Management and Compliance Units ensures adherence to internal policies and procedures, and regulatory rules and guidelines.

The Group does not use derivative instruments as part of its overall risk management activities at this time.

24. Financial Risk Management (continued)

Impact of Covid-19

The World Health Organisation declared the novel Coronavirus (COVID-19) outbreak a pandemic on March 11, 2020 and the Government of Trinidad and Tobago declared area national emergency on March 13, 2020. Though social restrictions eased during the financial year, the ongoing pandemic and the measures to control its human impact have resulted in disruptions to economic activity, business operations and asset prices. In response to the pandemic, the JMMB entities in Trinidad and Tobago as a group have adopted several measures specifically around financial risk management. These measures include:

(i) Enhanced monitoring of market movements by the Risk unit and tracking of the impact on the investment portfolio and the resulting impact on capital and liquidity to support timely decision making.

(ii) The Risk Unit and the Crisis Management and Communication Committee within the Trinidad and Tobago group meet frequently to discuss strategies and plans around managing business continuity as well as the liquidity and the capital needs of the Group.

(iii) Updating of the Group's Business Recovery and Response Plan which include:

- Measures to secure sufficient funding and adequate availability.
- Contingency arrangements that enable continuation of operations as recovery measures are being implemented.
- Actions that can be taken to strengthen the entity's capital base.
- A clear description of the escalation and decision-making process to ensure that the plan can be executed in a timely manner.
- Communication plan to ensure that stakeholders (internal and external) are given timely and appropriate information during the firm's recovery process.

(a) Credit risk

Credit risk is the risk of suffering financial loss, should any of the Group's customers, clients or market counterparties fail to fulfil their contractual obligations to the Group. The Group is exposed to 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.

The Group structures the level of credit risk it undertakes by placing limits on the amount of risk accepted in relation to a single counterparty or groups of related counterparties and to an industry segment.

The Covid-19 pandemic has caused significant market volatility which has increased the Group's credit risk. The downgrading of credit ratings and/or outlooks for counterparties has resulted in an increase in the credit risk of debt securities and other financial assets.

24. Financial Risk Management (continued)

(a) Credit risk (continued)

(a.i) Credit risk measurement

The credit risks on key financial assets are managed as follows;

(i) Securities purchased under agreements to resell

The Group limits its exposure to credit risk by investing in liquid securities and with counterparties that have high credit quality. As a consequence, management's expectation of default is low.

The Group has documented investment policies which facilitate the management of credit risk on investment securities and resale agreements. The Group's exposure and the credit ratings of its counterparties are continually monitored.

(ii) Cash and cash equivalents

Cash and cash equivalents are held in financial institutions which management regards as possessing acceptable credit quality and there is no significant concentration in any particular financial institution. The strength of these financial institutions is continually reviewed by Risk Management Committees.

(iii) Accounts receivable and investment securities

Receivables

Generally, equity transactions are settled within three business days after the trade date. However, in instances where this is not adhered to by clients, the Trinidad and Tobago Stock Exchange allows for liquidation of the equities by the broker in settlement of the outstanding amounts. In this regard, the Group analyses all outstanding amounts in comparison to the market value of equity securities in the particular client's portfolio. The client's payment history, relationship with the Company and the age of the balances are also factors considered in determining the expected credit loss. Full provision is made for any balance where there is potential loss.

Investment Securities

For debt securities, external rating agency credit grades are used. These published grades are continuously monitored and updated. Where debt securities are not rated by external rating agencies the Group Risk function determines internal credit ratings for investment counterparties in accordance with its investment risk rating methodology. 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.

24. Financial Risk Management (continued)

(a) Credit risk (continued)

(a.ii) 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. A description of how the Group determines when a significant increase in credit risk has occurred is detailed below.

- 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 description of inputs, assumptions and estimation techniques used in measuring the ECL is detailed in Note 24(a.ii)(3).

- A pervasive concept in measuring ECL in accordance with IFRS 9 is that it should consider forward-looking information. An explanation of how the Group has incorporated this in its ECL models is included in Note 24(a.ii)(4).

- Purchased or originated credit-impaired financial assets are those financial assets that are credit-impaired on initial recognition. Their ECL is always measured on a lifetime basis (Stage 3).

24. Financial Risk Management (continued)

(a) Credit risk (continued)

(a.ii)(1) Significant increase in credit risk (SICR)

The key inputs, assumptions and techniques used for estimating impairment adopted by the Group are as follows:

Determining when credit risk as increased significantly

The Group considers a financial instrument to have experienced a significant increase in credit risk based on the following criteria:

The Group considers that there is a significant increase in credit risk for its investment portfolio when there is a decrease in credit rating as follows: a three-notch downgrade from investment grade to non-investment grade (below BBB-); a two-notch downgrade within or outside the BB/B bucket or a one-notch downgrade within or outside the B-, CCC, CC and C buckets.

Financial instruments for which it is determined that there is a significant increase in credit risk are transferred from Stage 1 to Stage 2 and impairment loss is measured based on lifetime expected credit loss.

If there is evidence that there is no longer a significant increase in credit risk relative to initial recognition, then the loss allowance on an instrument returns to being measured as 12-month ECL.

Some qualitative indicators of an increase in credit risk, such as delinquency or forbearance, may be indicative of an increased risk of default that persists after the indicator itself has ceased to exist. In these cases, the Group determines a probation period during which the financial asset is required to demonstrate good behaviour to provide evidence that its credit risk has declined sufficiently.

(a.ii)(2) Definition of default

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Group considers reasonable and supportable information that is relevant and available without undue cost and effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and expert credit assessment and including forward-looking information.

24. Financial Risk Management (continued)

(a) Credit risk (continued)

(a.ii)(2) Definition of default (continued)

These include:

- The borrower is more than 90 days past due on its obligation to the Group.
- A decrease in internal rating beyond specific rating thresholds
- The borrower is unlikely to pay its obligation to the Group in full, without recourse by the Group to actions such as realizing security. This may arise from instances such as bankruptcy, long-term forbearance, insolvency, breach of financial covenants, death and restructuring.
- Inputs into the assessment of whether a financial instrument is in default and their significance may vary over time to reflect changes in circumstances.

Financial assets classified as 'default' are transferred to stage 3 and impairment loss is measured based on lifetime expected credit losses.

(a.ii)(3) Computation of the expected credit loss

The key inputs into the measurement of ECL are the term structure of the following variables:

- probability of default (PD);
- loss given default (LGD); and
- exposure at default (EAD).

ECL for exposures in Stage 1 is calculated by multiplying the 12-month PD by LGD and EAD.

Lifetime ECL is calculated by multiplying the lifetime PD by LGD and EAD.

PD represents the likelihood of a borrower defaulting on its financial obligation, either over the next twelve months (12-month PD) or over the remaining lifetime (lifetime PD) of the obligation.

LGD is the magnitude of the likely loss if there is a default. The Group estimates LGD parameters based on the history of recovery rates of claims against defaulted counterparties. The LGD models consider the structure, collateral, seniority of the claim, counterparty industry and recovery costs of any collateral that is integral to the financial asset. LGD estimates are recalibrated for different economic scenarios and, for real estate lending, to reflect possible changes in property prices. They are calculated on a discounted cash flow basis using the effective interest rate as the discounting factor.

The Group derives the EAD from the current exposure to the counterparty and potential changes to the current amount allowed under the contract and arising from amortisation.

During the financial year ended March 2021, the Group clarified its definition of EAD. Specifically, EAD is no longer taken as the gross carrying amount at the time of default. Instead, EAD is computed as the sum of the amount invested, amortized amount and accrued interest to reflect contractual cash flows. In so doing, ECL is no longer calculated on the carrying amounts after adjusting for unrealized gains/losses (MTM).

24. Financial Risk Management (continued)

(a) Credit risk (continued)

(a.ii)(3) Computation of the expected credit loss (continued)

Subject to using a maximum of a 12-month PD for Stage 1 financial assets, the Group measures ECL considering the risk of default over the maximum contractual period (including any borrower's extension options) over which it is exposed to credit risk, even if, for credit risk management purposes, the Group considers a longer period. The maximum contractual period extends to the date at which the Group has the right to require repayment of an advance or terminate a commitment or guarantee.

The Group employs a simplified scorecard in estimating its forward-looking indicator factors. This model differentiates between sovereign, corporate and retail exposures. A minimum of three leading macroeconomic variables are used for each asset class.

There were no significant changes in estimation techniques or significant assumptions made during the reporting period.

(a.ii)(4) Incorporation of forward-looking information models

The Group incorporates forward-looking information into the assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and the measurement of the expected credit losses (ECL).

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.

The impact of these economic variables on the PD, EAD and LGD has been determined by performing a trend analysis and compared historical information with forecast macro-economic data to determine whether the indicator describes a very positive, positive, stable, negative or very negative trend and to understand the impact changes in these variables have had historically on default rates and on the components of LGD and EAD.

The Group formulates three scenarios: a base case, which is the median scenario and assigned a 75% probability of occurring and two less likely scenarios; being best, assigned a rating of 10% and worst, assigned a rating of 15%. The base case is aligned with information used by the Group for other purposes such as strategic planning and budgeting. External information considered includes economic data and forecast published by government bodies, monetary bodies and supranational organisations such as International Monetary Fund.

The scenario weightings are determined by a combination of statistical analysis and expert credit judgement.

(Expressed in thousands of Trinidad and Tobago dollars)

24. Financial Risk Management (continued)

(a) Credit risk (continued)

(a.ii)(4) Incorporation of forward-looking information models (continued)

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.

The Group has identified and documented key drivers of credit risk and credit losses for each portfolio of financial instruments, and using the scorecard approach has estimated relationships between macro-economic variables and credit risk and credit losses. The Group has assessed that the key drivers of its sovereign portfolio are debt to GDP ratio, current account to GDP ratio and net international reserves with weightings of 30%, 20% and 50% respectively. The drivers for the corporate portfolio are debt to GDP ratio, annual inflation rate and GDP annual growth rate with weightings of 10%, 30% and 60% respectively.

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

The assumptions underlying the ECL calculation such as how the maturity profile of the PDs collateral values change are monitored and reviewed on a quarterly basis.

(a.iii) Maximum exposure to credit risk - Financial instruments not subject to impairment

The following table contains an analysis of the maximum exposure from financial assets not subject to impairment under IFRS 9 (e.g. FVTPL):

	The Group		The Company	
	2021	**2020**	**2021**	**2020**
	$'000	**$'000**	**$'000**	**$'000**
Financial assets designated at fair value through profit and loss (FVTPL):				
Equities	3,043	1,044	-	-
Financial assets at fair value through other comprehensive income (FVOCI):				
Equities	12,301	11,131	4,375	3,380
	15,344	12,175	4,375	3,380

(Expressed in thousands of Trinidad and Tobago dollars)

24. Financial Risk Management (continued)

(a) Credit risk (continued)

(a.iii) (1) Maximum exposure to credit risk

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.

The Group and the Company

	2021			
	ECL Staging			
Investment Securities	Stage 1 12 month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
	$'000	$'000	$'000	$'000
Credit grade				
Investment grade	106,868	-	-	106,868
Watch	705,760	83,246	-	793,381
Speculative	-	-	-	-
Default	-	-	1,129	1,129
Carrying amount	812,628	83,246	1,129	897,003

(Expressed in thousands of Trinidad and Tobago dollars)

24. Financial Risk Management (continued)

(a) Credit risk (continued)

(a.iii) (1) Maximum exposure to credit risk (continued)

The Group and the Company

Investment Securities	2020 Stage 1 12 month ECL $'000	Stage 2 Lifetime ECL $'000	Stage 3 Lifetime ECL $'000	Total $'000
Credit grade				
Investment grade	101,113	-	-	101,113
Watch	602,533	1,522	-	604,055
Speculative	-	-	-	-
Default	-	-		-
Carrying amount	703,646	1,522	-	705,168

The Group and the Company

Client Receivables

	2021 Stage 1 12 month ECL $'000	Stage 2 Lifetime ECL $'000	Stage 3 Lifetime ECL $'000	Total $'000
Credit grade				
Standard monitoring	5,988	-	-	5,988
Watch listed	-	267	-	267
Gross carrying amount	5,988	267	-	6,255

(Expressed in thousands of Trinidad and Tobago dollars)

24. Financial Risk Management (continued)

(a) Credit risk (continued)

(a.iii) (1) Maximum exposure to credit risk (continued)

The Group and the Company

Client Receivables

	2020			
	ECL Staging			
	Stage 1 12 month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
	$'000	$'000	$'000	$'000
Credit grade				
Standard monitoring	5,112	-	-	5,112
Watch listed	-	177	-	177
Gross carrying amount	5,112	177	-	5,289

The Group has determined there is no expected credit loss on other financial assets, such as cash and cash equivalents, broker balances, sundry debtors and related party balances due to the short maturities and the financial strengths of the various entities as evidenced by the credit ratings.

Information on how the Expected Credit Loss (ECL) is measured and how the three stages above are determined is included in Note 24(a.ii)(3) 'Expected credit loss measurement'.

(a.iii) (2) Collateral and other credit enhancements

The Group employs a range of policies and practices to mitigate credit risk. The most common of these is accepting collateral to secure exposure. The Group has internal policies on the acceptability of specific classes of collateral or credit risk mitigation.

Collateral held as security for financial assets 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.

Fair value of collateral held is represented by the maximum amounts recorded of the statement of financial position.

24. **Financial Risk Management** (continued)

(a) **Credit risk** (continued)

(a.iv) **Loss allowance**

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;
- Impact on the measurement of ECL due to changes in PDs, EADs and LGDs in the period, arising from regular refreshing of inputs to models;
- Impacts on the measurement of ECL due to changes made to models and assumptions;
- Discount unwind within ECL due to the passage of time, as ECL is measured on a present value basis;
- 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.

(Expressed in thousands of Trinidad and Tobago dollars)

24. **Financial Risk Management** (continued)

(a) **Credit risk** (continued)

(a.iv) **Loss allowance** (continued)

The following tables explain the changes in the loss allowance between the beginning and the end of the annual period due to these factors:

The Group and the Company

Investment Securities	**ECL Staging 2021 Stage 1 12 month ECL $'000**	**Stage 2 Lifetime ECL $'000**	**Stage 3 Lifetime ECL $'000**	**Total $'000**
Loss allowance at 1 April 2020	2,607	29	-	2,636
Movements with P&L impact				-
- Transfer from Stage 1 to Stage 2	(113)	113	-	-
- Transfer from Stage 1 to Stage 3	(5)	-	5	-
New financials assets originated or purchased	211	-	-	211
Changes in PDs/LGDs/EADs	-	-	-	-
Modification of contractual cashflows of financial assets				-
FX and other movements	(346)	1,555	534	1,743
Financial assets derecognized during the period	(219)	-	-	(219)
Total net profit or loss change during the period	(472)	1,668	539	1,735
Loss allowance at 31 March 2021	**2,135**	**1,697**	**539**	**4,371**

Investment Securities	**ECL Staging 2020 Stage 1 12 month ECL $'000**	**Stage 2 Lifetime ECL $'000**	**Stage 3 Lifetime ECL $'000**	**Total $'000**
Loss allowance at 1 April 2019	1,352	82	-	1,434
Movements with P&L impact				-
New financials assets originated or purchased	1,300	-	-	1,300
FX and other movements	573	(1)	-	572
Financial assets derecognized during the period	(618)	(50)	-	(668)
Total net profit or loss charge during the year	1,255	(51)	-	1,204
Loss allowance at 31 March 2020	**2,607**	**31**	**-**	**2,638**

(Expressed in thousands of Trinidad and Tobago dollars)

24. Financial Risk Management (continued)

(a) Credit risk (continued)

(a.iv) Loss allowance (continued)

The Group and the Company

Client Receivables

	ECL Staging 2021			
	Stage 1 12 month ECL $'000	Stage 2 Lifetime ECL $'000	Stage 3 Lifetime ECL $'000	Total $'000
Loss allowance at 1 April 2020		177	-	177
Movements with P&L impact				
- Transfer from Stage 1 to Stage 2	-	-	-	-
- Transfer from Stage 1 to Stage 3	-	-	-	-
- Transfer from Stage 2 to Stage 1	-	-	-	-
- New financial assets recognized during year	-	90	-	90
Total net P&L charge during the period	-	90	-	90
Loss allowance at 31 March 2021	**-**	**267**	**-**	**267**

Client Receivables

	ECL Staging 2020			
	Stage 1 12 month ECL $'000	Stage 2 Lifetime ECL $'000	Stage 3 Lifetime ECL $'000	Total $'000
Loss allowance at 1 April 2019		203	-	203
Movements with P&L impact				
- Transfer from Stage 1 to Stage 2	-	-	-	-
- Transfer from Stage 1 to Stage 3	-	-	-	-
- Transfer from Stage 2 to Stage 1	-	-	-	-
Total net P&L charge during the period	-	(26)	-	(26)
Loss allowance at 31 March 2020	**-**	**177**	**-**	**177**

(Expressed in thousands of Trinidad and Tobago dollars)

24. Financial Risk Management (continued)

(a) Credit risk (continued)

(a.iv) Loss allowance (continued)

The following table further explains changes in the **gross** carrying amount of the investment securities portfolio to help explain their significance to the changes in the loss allowance for the same portfolio as discussed above:

The Group and the Company

	ECL Staging			
	2021			
Investment Securities	Stage 1 12 month ECL $'000	Stage 2 Lifetime ECL $'000	Stage 3 Lifetime ECL $'000	Total $'000
Carrying amounts at 1 April 2020	703,646	1,522	-	705,168
Movements with P&L impact				-
- Transfer from Stage 1 to Stage 2	(74,837)	74,837	-	-
- Transfer from Stage 1 to Stage 3	(766)	-	766	-
- Transfer from Stage 2 to Stage 3	191,413	-	-	191,413
New financial assets originated or purchased		-	-	-
Changes in PDs/LGDs/EADs	-	-	-	
Modification of contractual cashflows				-
of financial assets	-	-	-	-
FX and other movements	39,626	6,886	363	46,875
Financial assets derecognized during the period	(46,453)	-	-	(46,453)
Write offs	-	-	-	-
Carrying amounts at 31 March 2021	812,629	83,245	1,129	897,003

(Expressed in thousands of Trinidad and Tobago dollars)

24. Financial Risk Management (continued)

(a) Credit risk (continued)

(a.iv) Loss allowance (continued)

The Group and the Company

	ECL Staging			
	2020			
Investment Securities	**Stage 1 12 month ECL**	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**
	$'000	**$'000**	**$'000**	**$'000**
Carrying amounts at 1 April 2019	756,742	18,922	-	775,664
Movements with P&L impact				-
- Transfer from Stage 1 to Stage 2				
- Transfer from Stage 1 to Stage 3				
- Transfer from Stage 2 to Stage 3	-	-	-	-
New financials assets originated or purchased	257,118	-	-	257,118
Changes in PDs/LGDs/EADs	-	-	-	
Modification of contractual cashflows				-
of financial assets	-	-	-	-
FX and other movements	(66,868)	(89)		(66,957)
Financial assets derecognized during the period	(243,346)	(17,311)		(260,657)
Write offs	-	-	-	-
Carrying amounts at				
31 March 2020	703,646	1,522	-	705,168

(Expressed in thousands of Trinidad and Tobago dollars)

24. Financial Risk Management (continued)

(a) Credit risk (continued)

(a.iv) Loss allowance (continued)

The Group and the Company

Securities purchased under agreements to resell	Hold to collect			
	2021			
	ECL staging			
	Stage 1	Stage 2	Stage 3	
	12-month EAD	Lifetime EAD	Lifetime EAD	Total
	TT$'000	TT$'000	TT$'000	TT$'000
Carrying amount at 1 April 2020	9,832	-	-	9,832
Financial Assets Derecognized	(9,832)	-	-	(9,832)
Carrying Amount at 31 March 2021	-	-	-	-

Securities purchased under agreements to resell	Hold to collect			
	2020			
	ECL staging			
	Stage 1	Stage 2	Stage 3	
	12-month EAD	Lifetime EAD	Lifetime EAD	Total
	TT$'000	TT$'000	TT$'000	TT$'000
Carrying amount at 1 April 2019	20	-	-	20
Financial Assets Derecognized	(20)	-	-	(20)
New financial assets originated or purchased	9,832	-	-	9,832
Carrying Amount at 31 March 2020	9,832	-	-	9,832

The total amount of undiscounted expected credit losses at initial recognition for purchased or originated credit-impaired financial assets recognised during the period was NIL.

24. Financial Risk Management (continued)

(a) Credit risk (continued)

(a.v) 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 31 March 2021 was NIL (2020: $36) 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.

(a.vi) Concentration of credit risk

Concentration by location for investment securities is measured based on the location of the issuer of the security.

The Group monitors concentrations of credit risk by sector and by geographic location. An analysis of concentrations of credit risk at the reporting date is shown below:

(Expressed in thousands of Trinidad and Tobago dollars)

24. Financial Risk Management (continued)

(a) Credit risk (continued)

(a.vi) Concentration of credit risk (continued)

	The Group		The Company	
	Investment Securities		Investment Securities	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
Concentration by sector				
Corporate/commercial	479,134	434,505	468,165	425,710
Sovereign	430,460	262,958	430,460	262,958
Bank	2,753	19,880	2,753	19,880
	912,347	717,343	901,378	708,548
Concentration by location				
Trinidad	754,492	543,421	743,739	534,865
Regional	156,523	167,060	156,307	166,821
Other	1,332	6,862	1,332	6,862
	912,347	717,343	901,378	708,548

24. Financial Risk Management (continued)

(b) Settlement risk

The Group's activities may give rise to risk at the time of settlement of transactions and trades. Settlement risk is the risk of loss due to the failure of a counterparty to honour its obligations to deliver cash, securities or other assets as contractually agreed.

Settlement limits form part of the credit approval/limit monitoring process. Acceptance of settlement risk on trades requires transaction specific or counterparty specific approvals from the Risk Management Unit.

(c) Liquidity risk

Liquidity risk is the risk that the Group is unable to meet its payment obligations associated with its financial liabilities when they fall due and/or to replace funds when they are withdrawn or matured. Liquidity risk arises from the fluctuations in cash flows.

Management of liquidity risk

The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The daily liquidity position is monitored by the Trading/ Treasury Team and Risk Unit. Weekly reports cover the liquidity position of the Group based on upcoming obligations and projected cash flow gaps is prepared by the Risk Management Unit. A summary report is submitted regularly to the Asset and Liability Committee (ALCO) with any exceptions and remedial action taken, and also being submitted to the Board Risk Committee of the ultimate parent for review and monitoring.

The impact of Covid-19 has resulted in unprecedented market conditions with respect to asset and liability management. Against this backdrop, the Group continues to robustly manage our liquidity planning in keeping with our regulatory and internal obligations and have applied enhanced risk controls including stress testing, monitoring liquidity coverage and net stable funding ratios.

(Expressed in thousands of Trinidad and Tobago dollars)

24. Financial Risk Management (continued)

(c) Liquidity risk (continued)

There was no change in the Group's approach to managing its liquidity risk during the year.

The following table presents the contractual maturities of financial liabilities, including interest payments, on the basis of their earliest possible contractual maturity.

The Group

	2021					
	Within 3 Months	**3 to 12 Months**	**1 to 5 Years**	**Over 5 Years**	**Nominal Cash Flows**	**Carrying Amount**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Securities sold under agreements to repurchase	225,523	348,185	-	-	573,708	568,164
Dividends payable	10,231	-	-	-	10,231	10,231
Redeemable preference shares	-	-	34,246	-	34,246	33,802
Secured notes payable		173,638	8,487	-	182,125	180,944
Other notes payable	88,793	21,595	-	-	110,388	108,031
Accounts payable	36,514	-	-	-	36,514	36,514
	361,061	543,418	42,733	-	947,212	937,686

	2020					
	Within 3 Months	**3 to 12 Months**	**1 to 5 Years**	**Over 5 Years**	**Nominal Cash Flows**	**Carrying Amount**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Securities sold under agreements to repurchase	296,305	181,810	-	-	478,115	473,843
Dividends payable	6,958	-	-	-	6,958	6,958
Redeemable preference shares	-	-	34,082	-	34,082	33,651
Secured notes payable	-	125,476	65,867	-	191,343	189,069
Other notes payable	42,525	-	-	-	42,525	40,381
Accounts payable	36,660	-	-	-	36,660	36,660
	382,448	307,286	99,949	-	789,683	780,562

(Expressed in thousands of Trinidad and Tobago dollars)

24. Financial Risk Management (continued)

(c) Liquidity risk (continued)

The Company

	2021					
	Less than 3 Months	3 to 12 Months	1 to 5 Years	Over 5 Years	Nominal Cash Flows	Carrying Amount
	$'000	$'000	$'000	$'000	$'000	$'000
Securities sold under agreements to repurchase	225,523	348,185	-	-	573,708	568,164
Dividends payable	10,231	-	-	-	10,231	10,231
Redeemable preference shares	-	-	34,246	-	34,246	33,802
Secured notes payable	-	173,638	8,487	-	182,125	180,944
Other notes payable	88,793	21,595	-	-	110,388	108,031
Accounts payable	13,089	-	-	-	13,089	13,089
	337,636	543,418	42,733	-	923,787	914,261

	2020					
	Less than 3 Months	3 to 12 Months	1 to 5 Years	Over 5 Years	Nominal Cash Flows	Carrying Amount
	$'000	$'000	$'000	$'000	$'000	$'000
Securities sold under agreements to repurchase	296,305	181,810	-	-	478,115	473,843
Dividends payable	6,958	-	-	-	6,958	6,958
Redeemable preference shares	-	-	34,082	-	34,082	33,651
Secured notes payable	-	125,476	65,867	-	191,343	189,069
Other notes payable	42,525	-	-	-	42,525	40,381
Accounts payable	13,748	-	-	-	13,748	13,748
	359,536	307,286	99,949	-	766,771	757,650

24. Financial Risk Management (continued)

(d) Market risk

Market risk is the risk that changes in market prices, such as interest rates, equity prices, foreign exchange rates will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

Market risks mainly arise from changes in foreign currency exchange rates and interest rates. Market risk exposures are measured using sensitivity analysis. There has been no change to the Group's exposure to market risks or the manner in which it manages and measures the risk.

The Board reviews and approves the risk policies recommended by management and makes recommendation to the Board of Directors as appropriate. Overall management of market risk is vested in the Asset Liability Committee (ALCO). The Group's Risk Unit is responsible for the development of detailed risk management policies and for the day-to-day review of their implementation.

The Covid-19 pandemic has caused significant market volatility which has increased the Group's market risk. The downgrading of credit ratings and/or outlooks for investment securities has resulted in increased trading and liquidity risk.

Value at Risk (VaR)

The principal tool used to measure and control market risk exposures within the Group is Value at Risk (VaR). The VaR of a portfolio is the estimated loss that would arise on the portfolio over a specified period of time (the holding period) from an adverse market movement with a specified probability (confidence level). The VaR model used by the Group is based on a 99 percent confidence level and assumes a 10 day holding period. The VaR model used is based mainly on the Monte Carlo simulation model. Taking account of market data from the previous year and observed relationships between differences in market prices, the model generates a wide range of plausible future scenarios for market price movements.

Although VaR is an important tool for measuring market risk, the assumptions on which the model is based do give rise to some limitations, including the following:

- A 10 day holding period assumes that it is possible to hedge or dispose of positions within that period. This is considered to be a reasonable assumption, but may not be the case in situations in which there is severe market illiquidity for a prolonged period;
- A 99% confidence level does not reflect losses that may occur beyond this level. Even within the model used, there is a one percent probability that losses could exceed the VaR;
- VaR is calculated on an end-of-day basis and does not reflect exposures that may arise on positions during the trading day;
- The use of historical data to determine the relationships between different market prices may not cover all possible scenarios, as these relationships may break down in times of market stress; and
- The VaR Measure is dependent on the Group's positions and volatility of market prices. The VaR of an unchanged position reduces if the market prices volatility declines and vice-versa.

The Group uses VaR limits for its overall portfolio and for sub-portfolios. The overall structure of VaR limits is subject to review and approval by the Group Board Risk Committee. VaR is measured at least once daily. Daily reports of utilisation of VaR limits are prepared by the Risk department and regular summaries submitted to the Group Board Risk Committee.

(Expressed in thousands of Trinidad and Tobago dollars)

24. Financial Risk Management (continued)

(d) Market risk (continued)

A summary of the VaR position of the Group's overall portfolio as at 31 March 2021 and during the year then ended is as follows:

	31 March	Average for Year	Maximum during Year	Minimum during Year
	$'000	$'000	$'000	$'000
2021 Overall VaR	12,706	15,051	23,180	7,827
2020 Overall VaR	40,714	11,253	40,714	6,976

The limitations of the VaR methodology are recognised by supplementing VaR limits with other position and sensitivity limit structures, including limits to address potential concentration of risks within the portfolio.

(i) Foreign currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group is primarily exposed to such risk arising from its United States dollar transactions and its United States denominated assets.

There was no change in the Group's approach to managing its foreign currency risk during the year.

24. Financial Risk Management (continued)

(d) Market risk (continued)

(i) Foreign currency risk (continued)

At the reporting date the Trinidad and Tobago dollar equivalents of net foreign currency assets/ (liabilities) were as follows:

	2021 $000	2020 $000
Net position	184,769	170,816

Sensitivity to exchange rate movements

The following table indicates the currency to with the Group had significant exposure on their monetary assets and liabilities and the estimated effect of the changes in rate on profit for the year. The change in currency rates below represents management's assessment of a reasonably probable change in foreign exchange rates at the reporting date:

	2021	2020
Change US$ Currency Rate %	6%	6%

The currency shock was determined at the Group level and applied at the subsidiary level across all operating jurisdictions.

Pre-tax effect on profit $'000	1,640	1,523
Post-tax effect on profit $'000	1,148	1,066

(ii) Interest rate risk

Interest rate risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Floating rate instruments expose the operation to cash flow interest risk, whereas fixed interest rate instruments expose the operation to fair value interest risk.

Interest rate risk is managed principally through monitoring interest rate gaps and by having pre-approved limits for repricing gaps. The ALCO is the monitoring body for compliance with these limits and is assisted by the Risk Unit in its day-to-day monitoring activities.

There was no change in the Group's approach to managing its interest rate risk during the year.

The following table summarises the carrying amounts of assets, liabilities and equity to arrive at the interest rate gap, based on the earlier of contractual repricing and maturity dates.

(Expressed in thousands of Trinidad and Tobago dollars)

24. Financial Risk Management (continued)

(d) Market risk (continued)

(ii) ***Interest rate risk*** (continued)

The Group

	2021						
	Within 3 Months	**3 to 6 Months**	**6 to 12 Months**	**1 to 5 Years**	**Over 5 Years**	**Non-Interest Bearing**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Financial assets							
Cash and cash equivalents	161,218	-	-	-	-	-	161,218
Interest receivable	-	-	-	-	-	15,065	15,065
Investment securities	19,226	8,802	-	323,863	545,112	15,344	912,347
Accounts receivable	-	-	-	-	-	10,922	10,922
Total financial assets	180,444	8,802	-	323,863	545,112	41,331	1,099,552
Financial liabilities							
Securities sold under agreements to repurchase	223,421	112,135	232,608	-	-	-	568,164
Dividends payable	-	-	-	-		10,231	10,231
Interest payable	-	-	-	-	-	9,526	9,526
Redeemable preference shares	-	-	-	33,802	-	-	33,802
Secured notes payable	-	-	172,564	8,380	-	-	180,944
Other notes payable	86,501	-	21,530	-	-	-	108,031
Accounts payable	-	-	-	-	-	36,514	36,514
Total financial liabilities	309,922	112,135	426,702	42,182	-	56,271	947,212
Total interest sensitivity gap	(129,478)	(112,135)	(417,900)	281,681	545,112	(14,940)	152,340
Cumulative interest sensitivity gap	(129,478)	(241,613)	(659,513)	(377,832)	167,280	152,340	-

(Expressed in thousands of Trinidad and Tobago dollars)

24. Financial Risk Management (continued)

(d) Market risk (continued)

(ii) Interest rate risk (continued)

The Group

	2020						
	Within 3 Months	**3 to 6 Months**	**6 to 12 Months**	**1 to 5 Years**	**Over 5 Years**	**Non-Interest Bearing**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Financial assets							
Cash and cash equivalents	115,525	-	-	-	-	-	115,525
Investment securities	232	23,405	3,226	259,278	419,027	12,175	717,343
Investment due from related party	9,832	-	-	-	-	-	9,832
Interest receivable	-	-	-	-	-	13,756	13,756
Accounts receivable	-	-	-	-	-	9,118	9,118
Total financial assets	125,589	23,405	3,226	259,278	419,027	35,049	865,574
Financial liabilities							
Securities sold under agreements to repurchase	293,855	74,035	105,953	-	-	-	473,843
Dividends payable	-	-	-	-	-	6,958	6,958
Redeemable preference shares	-	-	-	33,651	-	-	33,651
Secured notes payable	-	-	124,029	65,040	-	-	189,069
Other notes payable	40,381	-	-	-	-	-	40,381
Interest payable	-	-	-	-	-	9,123	9,123
Accounts payable	-	-	-	-	-	36,660	36,660
Total financial liabilities	334,236	74,035	229,982	98,691	-	52,741	789,685
Total interest sensitivity gap	(208,647)	(50,630)	(226,756)	160,587	419,027	(17,692)	75,889
Cumulative interest sensitivity gap	(208,647)	(259,277)	(486,033)	(325,446)	93,581	75,889	-

(Expressed in thousands of Trinidad and Tobago dollars)

24. Financial Risk Management (continued)

(d) Market risk (continued)

(ii) Interest rate risk (continued)

The Company

	2021						
	Within 3 Months	**3 to 12 Months**	**6 to 12 Months**	**1 to 5 Years**	**Over 5 Years**	**Non-Interest Bearing**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Financial assets							
Cash and cash equivalents	139,170	-	-	-	-		139,170
Interest receivable	-	-	-	-	-	15,065	15,065
Investment securities	19,226	-	8,802	323,863	545,112	4,375	901,378
Accounts receivable	-		-	-	-	3,093	3,093
Total financial assets	158,396	-	8,802	323,863	545,112	22,533	1,058,706
Financial liabilities							
Securities sold under agreements to repurchase	223,421	112,135	232,608	-	-	-	568,164
Dividend payable						10,231	10,231
Interest payable	-	-	-	-	-	9,526	9,526
Redeemable preference shares	-	-	-	33,802	-	-	33,802
Other secured notes payable	-	-	172,564	8,380	-	-	180,944
Other notes payable	86,501	-	21,530	-	-	-	108,031
Accounts payable	-	-	-	-	-	13,089	13,089
Total financial liabilities	309,922	112,135	426,702	42,182	-	32,846	923,787
Total interest sensitivity gap	(151,526)	(112,135)	(417,900)	281,681	545,112	(10,313)	134,919
Cumulative interest sensitivity gap	(151,526)	(263,661)	(681,561)	(399,880)	145,232	134,919	-

(Expressed in thousands of Trinidad and Tobago dollars)

24. Financial Risk Management (continued)

(d) Market risk (continued)

(ii) Interest rate risk (continued)

The Company

	2020						
	Within 3 Months	**3 to 12 Months**	**6 to 12 Months**	**1 to 5 Years**	**Over 5 Years**	**Non-Interest Bearing**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Financial assets							
Cash and cash equivalents	86,160	-	-	-	-	-	86,160
Interest receivable	-	-	-	-	-	13,756	13,756
Investment securities	232	23,405	3,226	259,278	419,027	3,380	708,548
Accounts receivable						7,766	7,766
Investments due from related party	9,832	-		-	-	-	9,832
Total financial assets	96,224	23,405	3,226	259,278	419,027	24,902	826,062
Financial liabilities							
Securities sold under agreements to repurchase	293,855	74,034	105,954	-	-	-	473,843
Dividends payable	-	-	-	-	-	6,958	6,958
Interest payable	-	-	-	-	-	9,123	9,123
Redeemable preference shares	-	-	-	33,651	-	-	33,651
Secured notes payable	-	-	124,029	65,040	-	-	189,069
Other notes payable	40,381	-	-	-	-	-	40,381
Accounts payable	-	-	-	-	-	13,748	13,748
Total financial liabilities	334,236	74,034	229,983	98,691	-	29,829	766,773
Total interest sensitivity gap	(238,012)	(50,629)	(226,757)	160,587	419,027	(4,927)	59,289
Cumulative interest sensitivity gap	(238,012)	(288,641)	(515,398)	(354,811)	64,216	59,289	-

(Expressed in thousands of Trinidad and Tobago dollars)

24. Financial Risk Management (continued)

(d) Market risk (continued)

(ii) *Interest rate risk* (continued)

Sensitivity to interest rate movements

The following table indicates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, on the Group profit or loss and stockholders' equity.

The sensitivity of the profit or loss is the effect of the assumed changes in interest rates on net profit based on floating rate financial assets and revaluing fixed rate financial assets at fair value through other comprehensive income (FVTOCI) for the effects of the assumed changes in interest rates. The correlation of variables will have a significant effect in determining the ultimate impact on market risk, but to demonstrate the impact due to changes in a variable, variables had to be on an individual basis. It should be noted that movements in these variables are non-linear.

	The Group			
	Effect on Profit 2021	Effect on Equity 2021	Effect on Profit 2020	Effect on Equity 2020
	$'000	$'000	$'000	$'000
Change in basis points				
TT/USD				
-100/-100	-	43,094	-	21,147
+ 100/+100	-	(40,991)	-	(19,851)

	The Company			
Change in basis points TT/USD	Effect on Profit 2021	Effect on Equity 2021	Effect on Profit 2020	Effect on Equity 2020
	$'000	$'000	$'000	$'000
Change in basis points				
-100/-100	-	43,094	-	21,147
+ 100/+100	-	(40,991)	-	(19,851)

24. Financial Risk Management (continued)

(e) Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Group's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the Group's operations.

The Group's objective is to manage operational risks so as to balance the avoidance of financial losses and damage to the Group's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within each business unit. This responsibility is supported by the development of overall standards for the management of operational risk across the various functional areas in the Group.

(i) Cyber Risk and IT Governance Security

A significant component of operational risk that have become increasingly prevalent in the business environment and that affects the operations of the Group, is technology and information security risk.

The Group acknowledges that the constantly evolving nature of technology and its importance in the conduct of financial transactions globally, have increased the risk of attacks on the networks and systems that support electronic and digital information and transactions flow. The impact of any such attack on the Group's technology and information systems includes, among others, unauthorised access to these systems, loss, misappropriation and destruction of data including that of customers and other stakeholders, critical system unavailability, increased costs of operations, potential fines and penalties for breaches of privacy laws, reputational damage and financial loss.

The Trinidad and Tobago JMMB entities have implemented appropriate processes and controls across all its critical electronic interfaces and touch points to continuously monitor, manage and mitigate the impact of this risk on its networks, systems and other technology infrastructure in order to safeguard its information and other assets and by extension those of its customers and other stakeholders. This is monitored via an IT risk dashboard risk and a Cybersecurity Response Plan is in place to manage a cyber-attacks. This is supported by ongoing updates to its technology infrastructure, system vulnerability assessments, training of it team members and sensitisation of customers and other stakeholders to any new and emerging threats.

24. Financial Risk Management (continued)

(e) Operational risk (continued)

(i) **Cyber Risk and IT Governance Security** (continued)

Compliance with the Group's standards is supported by a programme of periodic reviews undertaken by Internal Audit. The results of internal audit reviews are discussed with the management of the business unit to which they relate, with summaries submitted to senior management and the Audit Committee.

(ii) **Business continuity**

The Group's Business Continuity Plan (BCP) encompasses a defined set of planning, preparatory and related activities which are intended to ensure that the critical business functions will either continue to operate despite serious incidents or disasters that might otherwise have interrupted its operations, or will be recovered to an operational state within a reasonably short period. The oversight of Business Continuity falls largely within the sphere of Risk Management.

The objectives of the Group's BCP are to:

1. Protect human life.
2. Identify processes critical to the operations of the Group and safe guard the Group's assets.
3. Provide tested plans which, when executed, will permit timely and efficient recovery and resumption of the Group's critical business functions.
4. Minimize the inconvenience and potential disruption of service to internal and external customers.
5. Describe the organizational structure necessary for executing the plan.
6. Identify the equipment, procedures and activities for recovery.
7. Ensure that the reputation and financial viability of the Group is maintained at all times.
8. Ensure compliance with regulatory requirements.

The BCP is focused on minimizing the down time and data loss within the thresholds identified by the Group. The plan is meant to minimize the loss to the Group and or negative impact to customer service as a result of serious incidents or disasters that may occur for some time.

Group standards are supported by periodic reviews undertaken by the Internal Audit department.

A proactive approach is being taken to manage the risk of COVID-19 in the workspace. The Group triggered its Pandemic Preparedness and Response Plan which detailed various scenarios and response strategies based on feedback from the BCP Committee / Crisis Management and Communication Team. One of the key measures implemented is the Pandemic Risk Dashboard, which highlights the key risk elements of the plan that are monitored on a weekly basis to ensure that the risks associated with the Pandemic are mitigated. The Group also documented and communicated to key stakeholders its 'return to work' strategies which includes workplace readiness for re-entry.

25. Capital management

The Group's lead regulator, the Trinidad and Tobago Securities Exchange Commission (TTSEC), monitors the capital requirements for the Group as a whole.

The objectives when managing capital, which is a broader concept than the 'equity' on the face of the statement of financial position, are:

(i) To comply with the capital requirements set by the regulators of the financial markets where the entities within the Group operate;

(ii) To safeguard the Group's ability to continue as a going concern so that it can continue to provide returns for stockholders and benefits for other stakeholders; and

(iii) To maintain a strong capital base to support the development of its business.

(iv) To positively impact the capital of its holding company and ultimate parent.

Capital adequacy and the use of regulatory capital are monitored monthly by the Group's management based on the guidelines developed by the Trinidad and Tobago Stock Exchange, the Trinidad and Tobago Central Depository and the Group's Risk Management Unit. The required information is filed with the respective Regulatory Authorities at stipulated intervals.

The regulated authorities require each regulated entity to:

(i) Hold the minimum level of the regulatory capital; and

(ii) Maintain a minimum ratio of total regulatory capital to the risk-weighted assets.

The Rules of the Trinidad and Tobago Securities Exchange Commission states that the minimum capital requirement is $15 million for the Company and $5 million for its subsidiary JMMB Securities (T&T) Limited. The actual capital at the reporting date was $100.7 million, for the Company and $12.9 million for the subsidiary. The Company and the subsidiary were in compliance with requirements throughout the year.

26. Fair Value of Financial Instruments

(a) Definition of fair value and fair value hierarchy

The fair value of financial instruments that are categorize on the statement of financial position and the fair value of financial instruments that are not categorize on the statement of financial position are based on the valuation methods and assumptions set out in the significant accounting policies Note 28.

The Group's accounting policies on measurement and disclosure require the measurement of fair values for financial assets and financial liabilities. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

When measuring fair value of an asset or liability, where a quoted market price is available, fair value is computed by the Group using the quoted bid price at the reporting date, without any deduction for transaction costs or other adjustments. Where a quoted market price is not available, fair value is computed using alternative techniques, making use of available input data; the Group uses observable data as far as possible. Fair values are categorized into different levels in a three-level fair value hierarchy, based on the degree to which the inputs used in the valuation techniques are observable. The different levels in the hierarchy have been defined as follows:

Level 1 refers to financial assets and financial liabilities that are measured by reference to published quotes in an active market. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis.

Level 2 refers to financial assets and financial liabilities that are measured using a valuation technique based on assumptions that are supported by prices from observable current market transactions, and for which pricing is obtained via pricing services, but where prices have not been determined in an active market. This includes financial assets with fair values based on broker quotes, investments in funds with fair values obtained via fund managers, and assets that are valued using a model whereby the majority of assumptions are market observable.

Level 3 refers to financial assets and financial liabilities that are measured using non-market observable inputs. This means that fair values are determined in whole or in part using a valuation technique (model) based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

(b) Accounting classifications and fair values

The following table shows the classification of financial assets and financial liabilities and their carrying amounts. Where the carrying amounts are measured at fair value, their levels in the fair value hierarchy are also shown. Where the carrying amounts 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.

(Expressed in thousands of Trinidad and Tobago dollars)

26. Fair Value of Financial Instruments (continued)

(b) Accounting classifications and fair values (continued)

The Group

	2021							
	Amortised Cost	Investments at FVOCI	Investments at FVTPL	Total	Level 1	Level 2	Level 3	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Financial assets measured at fair value								
Government of Trinidad and Tobago securities	-	373,789	-	373,789	202,988	170,801	-	373,789
Other sovereign securities	-	56,671	-	56,671	56,671	-	-	56,671
Corporate bonds	-	466,543	-	466,543	245,914	220,629	-	466,543
Quoted and unquoted equities	-	12,301	3,043	15,344	3,595	-	11,749	15,344
	-	**909,304**	**3,043**	**912,347**	**509,168**	**391,430**	**11,749**	**912,347**
Financial assets not measured at fair value								
Cash and cash equivalents	161,218	-	-	161,218				
Interest receivable	15,065	-	-	15,065				
Accounts receivable	10,922	-	-	10,922				
	187,205	**-**	**-**	**187,205**				
Financial liabilities not measured at fair value								
Securities sold under agreements to repurchase	568,164	-	-	568,164				
Redeemable preference shares	33,802	-	-	33,802				
Secured notes payable	180,944	-	-	180,944				
Other notes payable	108,031	-	-	108,031				
Interest payable	9,526	-	-	9,526				
Accounts payable	36,514	-	-	36,514				
	936,981	-	-	**936,981**				

(Expressed in thousands of Trinidad and Tobago dollars)

26. Fair Value of Financial Instruments (continued)

(b) Accounting classifications and fair values (continued)

	The Group 2020							
	Amortised Cost $'000	Investments at FVOCI $'000	Investments at FVTPL $'000	Total $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial assets measured at fair value								
Government of Trinidad and Tobago securities	-	210,888	-	210,888	165,543	45,345	-	210,888
Other sovereign securities	-	52,070	-	52,070	52,070	-	-	52,070
Corporate bonds	-	442,210	-	442,210	222,928	198,403	20,879	442,210
Quoted and unquoted equities	-	11,131	1,044	12,175	1,652	-	10,523	12,175
	-	**716,299**	**1,044**	**717,343**	**442,193**	**243,748**	**31,402**	**717,343**
Financial assets not measured at fair value								
Cash and cash equivalents	115,525	-	-	115,525				
Reverse repurchase agreements	9,832	-	-	9,832				
Interest receivable	13,756	-	-	13,756				
Accounts receivable	9,118	-	-	9,118				
	148,231	**-**	**-**	**148,231**				
Financial liabilities not measured at fair value								
Securities sold under agreements to repurchase	473,843	-	-	473,843				
Dividends payable	6,958	-	-	6,958				
Redeemable preference shares	33,651	-	-	33,651				
Secured notes payable	189,069	-	-	189,069				
Notes payable	40,381	-	-	40,381				
Interest payable	9,123	-	-	9,123				
Accounts payable	36,660	-	-	36,660				
	789,685	-	-	**789,685**				

(Expressed in thousands of Trinidad and Tobago dollars)

26. Fair Value of Financial Instruments (continued)

(b) Accounting classifications and fair values (continued)

The Company

	2021						
	Amortised Cost	**Investments at FVOCI**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Financial assets measured as fair value							
Government of Trinidad and Tobago securities	-	373,789	373,789	202,989	170,800	-	373,789
Other sovereign bonds	-	56,671	56,671	56,671	-	-	56,671
Corporate bonds	-	466,543	466,543	245,913	220,630	-	466,543
Equities	-	4,375	4,375	-	-	4,375	4,375
	-	901,378	901,378	505,573	391,430	4,375	901,378
Financial assets not measured at fair value							
Cash and cash equivalents	139,170	-	139,170				
Interest receivable	15,065	-	15,065				
Accounts receivable	3,093	-	3,093				
	157,328	-	**157,328**				
Financial liabilities not measured at fair value							
Securities sold under agreements to repurchase	568,164	-	568,164				
Redeemable preference shares	33,802	-	33,802				
Notes payable	180,944	-	180,944				
Notes due to related party	108,031	-	108,031				
Interest payable	9,526	-	9,526				
Accounts payable	13,089	-	13,089				
	913,556	-	913,556				

(Expressed in thousands of Trinidad and Tobago dollars)

26. Fair Value of Financial Instruments (continued)

(b) Accounting classifications and fair values (continued)

The Company

	2020						
	Amortised Cost	Investments at FVOCI	Total	Level 1	Level 2	Level 3	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Financial assets measured as fair value							
Government of Trinidad and Tobago securities	-	210,888	210,888	165,543	45,345	-	210,888
Other sovereign bonds	-	52,070	52,070	52,070	-	-	52,070
Corporate bonds	-	442,210	442,210	222,928	198,403	20,879	442,210
Equities	-	3,380	3,380	-	-	3,380	3,380
	-	**708,548**	**708,548**	**440,541**	**243,748**	**24,259**	**708,548**
Financial assets not measured at fair value							
Cash and cash equivalents	86,160	-	86,160				
Reverse repurchase agreements	9,832	-	9,832				
Interest receivable	13,756	-	13,756				
Accounts receivable	7,766	-	7,766				
	117,514	**-**	**117,514**				
Financial liabilities not measured at fair value							
Securities sold under agreements to repurchase	473,843	-	473,843				
Dividends payable	6,958	-	6,958				
Redeemable preference shares	33,651	-	33,651				
Secured Notes payable	189,069	-	189,069				
Notes payable	40,381	-	40,381				
Interest payable	9,123	-	9,123				
Accounts payable	13,748	-	13,748				
	766,773	**-**	**766,773**				

(Expressed in thousands of Trinidad and Tobago dollars)

26. Fair Value of Financial Instruments (continued)

(c) Valuation techniques for investment securities classified as Level 2

The following table shows the valuation techniques used in measuring the fair value of financial assets

The following methods and assumptions have been used to estimate fair values:

	Financial Instrument	Fair value estimation technique
(i)	Non-Trinidad and Tobago sovereign bonds and corporate bonds	Estimated using bid-prices published by major overseas brokers
(ii)	Government of Trinidad and Tobago securities	Estimated using bid-prices published by major overseas brokers.

(d) Level 3 fair value measurements

(i) Reconciliation

The following table presents the changes in Level 3 instruments for the year ended 31 March.

	Equities $'000	Corporate $'000	Total $'000
The Group 2021			
Opening balance	10,523	20,879	31,402
Additions	1,226	-	1,226
Disposals	-	(20,879)	(20,879)
Total gains or losses:			
- in OCI	-	-	-
Closing balance	11,749	-	11,749
The Group 2020			
Opening balance	15,412	27,028	42,440
Disposals	(4,889)	(6,149)	(11,038)
Total gains or losses:			
- in OCI	-	-	-
Closing balance	10,523	20,879	31,402

(Expressed in thousands of Trinidad and Tobago dollars)

26. Fair Value of Financial Instruments (continued)

(d) Level 3 fair value measurements (continued)

(i) *Reconciliation* (continued)

	Equities $'000	Corporate $'000	Total $'000
The Company 2021			
Opening balance	3,380	20,879	24,259
Additions	995	-	995
Disposals		(20,879)	(20,879)
Total gains or losses:			
- in OCI	-	-	-
Closing balance	4,375	-	4,375
The Company 2020			
Opening balance	5,501	27,027	35,528
Disposals	(2,121)	(6,148)	(8,269)
Total gains or losses:			
- in OCI	-	-	-
Closing balance	3,380	20,879	24,259

(ii). Unobservable inputs used in measuring fair value

The following table set out information about unobservable inputs used at year end in measuring financial instruments categorised as Level 3 in the fair value hierarchy.

Type of Financial Instrument	Fair Values at March 31, 2021 $'000	Valuation Technique	Significant Unobservable Input	(1) Range	(2) Weighted Average
Equities	$11,749 (2020:$10,523)	See below	See below	See below	See below
Corporate	- (2020:$20,879)	Model - Discounted Cash Flow	Credit Spread Market yields	3% to 5.5%	3.5%

Equities

Given the nature of the analysis in respect of private equity holding, it is not practical to quote a range of key unobservable inputs. The fair value was estimated to be equivalent to the cost.

26. Fair Value of Financial Instruments (continued)

(d) Level 3 fair value measurements

(ii). Unobservable inputs used in measuring fair value (continued)

Corporate

Significant unobservable inputs are developed as follows:

1) The ranges of values shown in the above table represent the highest and lowest levels used in the valuation of the Group's Level 3 financial instruments as March 31, 2021. The ranges of values used are reflective of the underlying characteristics of these Level 3 financial instruments based on the market conditions at the balance sheet date. However, these ranges of values may not represent the uncertainty in fair value measurements of the Group's Level 3 financial instruments.

2) Weighted average has been calculated by weighting inputs by the relative fair value.

The following section describes the significant unobservable inputs identified in the valuation technique table:

- Market Yields is the rate that is used to discount the future cash flows in a discounted cash flow model. Though impacted by availability in the local market of comparable instruments, theoretically valuation using comparable instruments can be done by calculating an implied yield (or spread over a liquid benchmark) from the price of a comparable instrument (where available), then adjusting that yield (or spread) to derive a value for the instrument. The adjustment should account for relevant differences in the financial instruments such as maturity and/or credit quality. Alternatively, a price-to-price basis can be assumed between the comparable instrument and the instrument being valued in order to establish the value of the instrument. An increase in price, in isolation, would result in a favorable movement in the fair value of the asset. An increase in yield, in isolation, would result in an unfavorable movement in the fair value of the asset
- Credit spread represents the additional yield that a market participant would demand for taking exposure to the credit risk of the specific instrument
- Discount rate refers to the rate of return used to convert expected cash flows into present value

(iii) *The effects of unobservable inputs in fair value measurement*

Sensitivity analysis may be performed on products with significant unobservable inputs. The Group may apply a 5 percent increase or decrease on the values of these unobservable inputs, to generate a range of reasonably possible alternative valuations. The sensitivity analysis aims to measure a range of fair values consistent with the application of a 95% confidence interval. The percentage shift is determined by statistical analysis performed on a set of reference prices based on the composition of the Group's Level 3 portfolio as the measurement date. Favourable and unfavourable changes (which show the balance adjusted for input change) are determined on the basis of changes in the value of the instrument as a result of varying the levels of the unobservable parameters.

(Expressed in thousands of Trinidad and Tobago dollars)

26. Fair Value of Financial Instruments (continued)

(d) Level 3 fair value measurements (continued)

(iii) *The effects of unobservable inputs in fair value measurement*

When the fair value of a financial instrument is affected by more than one unobservable assumption, the below table reflects the most favourable or the most unfavourable change from varying the assumptions individually.

Financial instruments held at fair value

	Net exposure	Favourable Change	Unfavourable Change
	$'000	$'000	$'000
The Group 2021			
Corporate bonds	-	-	-
The Group 2020			
Corporate bonds	20,879	4	(4)
The Company 2021			
Corporate bonds	-	-	-
The Company 2020			
Corporate bonds	20,879	4	(4)

26. Fair Value of Financial Instruments (continued)

(e) Fair value measurement

The following methods and assumptions have been used to estimate fair values:

	Financial Instrument	Fair value estimation technique
(i)	Cash and cash equivalents, other receivables, accounts payable, and repurchase agreements	Considered to approximate their carrying values, due to their short-term nature
(ii)	Quoted equities	Quoted market bid prices.
(iii)	Non-Trinidad and Tobago sovereign bonds and corporate bonds	Estimated using bid-prices published by major overseas brokers
(iv)	Government of Trinidad and Tobago securities:	
	• Eurobonds	Estimated using bid-prices published by major overseas brokers.
	• Other	Estimated using mid-market prices published by Bloomberg.
(v)	Interest in money market funds	Considered to be the carrying value because of the short-term nature and variable interest rate.
(vi)	Deposits and other liabilities maturing after one year	Discounting future cash flows using reporting date yields of similar investments.

27. Operating Segment

The Group has the following four strategic business lines, which are reportable segments. These divisions offer different products and services, and are managed separately based on the Group's management and internal reporting structure.

Reportable Segments	Operations
Portfolio Management	Funding instruments backed by investment securities
Bond Trading	Trading of investment securities
Equity Brokerage	Commissions earned on equity trading on behalf of customers and on proprietary book.
Other Functions	All other revenue and support functions within the Group.

(Expressed in thousands of Trinidad and Tobago dollars)

27. Operating Segment (continued)

The Group

31 March 2021	**Portfolio Management**	**Bond Trading**	**Equity Brokerage**	**Other Functions**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
Income	16,965	1,737	4,915	226	23,843
Staff Cost	-	-	(704)	(9,105)	(9,809)
Administrative Cost	(1,735)	-	(1,885)	(2,918)	(6,538)
Profit Before Tax	**15,230**	**1,737**	**2,326**	**(11,797)**	**7,496**
As at 31 March 2021					
Segment assets	916,443	-	39,478	150,617	1,106,538
Segment liabilities	(749,108)	-	(25,251)	(184,419)	(958,778)

The Group

31 March 2020	**Portfolio Management**	**Bond Trading**	**Equity Brokerage**	**Other Functions**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
Income	15,379	8,472	5,536	9,334	38,721
Staff Cost	-	-	(731)	(9,882)	(10,613)
Administrative Cost	(1,204)	-	(1,964)	(5,901)	(9,069)
Profit Before Tax	**14,175**	**8,472**	**2,841**	**(6,449)**	**19,039**
As at 31 March 2020					
Segment assets	747,755	-	12,115	128,377	888,247
Segment liabilities	(662,912)	(74,032)	(23,290)	(34,073)	(794,307)

(Expressed in thousands of Trinidad and Tobago dollars)

27. Operating Segment (continued)

The Company

31 March 2021	Portfolio Management $'000	Bond Trading $'000	Equity Brokerage $'000	Other Functions $'000	Total $'000
Income	16,866	1,737	1,802	226	20,631
Staff Cost	-	-	-	(9,105)	(9,105)
Administrative Cost	(1,735)	-	-	(2,918)	(4,653)
Profit before tax	**15,131**	**1,737**	**1,802**	**(11,797)**	**6,873**
As at 31 March 2021					
Segment assets	916,443	-	-	150,617	1,067,060
Segment liabilities	(749,108)	-	-	(184,419)	(933,527)

The Company

31 March 2020	Portfolio Management $'000	Bond Trading $'000	Equity Brokerage $'000	Other Functions $'000	Total $'000
Income	15,379	8,472	777	9,755	34,383
Staff Cost	-	-	-	(9,882)	(9,882)
Administrative Cost	(1,204)	-	-	(5,840)	(7,044)
Profit Before Tax	**14,175**	**8,472**	**777**	**(5,967)**	**17,457**
As at 31 March 2021					
Segment assets	718,380	-	-	131,664	850,044
Segment liabilities	(662,912)	(74,032)	-	(32,678)	(769,622)

28. Significant Accounting Policies

The Group has consistently applied the following accounting policies to all period presented in these financial statements.

(a) Financial instruments

(1) The Group's financial instruments fall under the following categories:

(a) Cash and cash equivalents

Cash and equivalents include cash on hand, deposits held other financial institutions and short term balances with brokers. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of change in value, and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

(b) Repurchase and reverse repurchase agreements

Transactions involving purchases of securities under resale agreements ('resale agreements' or reverse repos') or sales of securities under repurchase agreements ('repurchase agreements' or 'repos) are accounted for as short-term collateralised lending and borrowing, respectively. Accordingly, securities sold under repurchase agreements remain on the statement of financial position and are measured in accordance with their original measurement principles. The proceeds of sale are reported as liabilities and are carried at amortised cost. Securities purchased under resale agreements are reported not as purchases of the securities, but as receivables and are carried in the statement of financial position at amortised cost. It is the policy of the Group to obtain possession of collateral with a market value in excess of the principal amount loaned under resale agreements.

Interest earned on resale agreements and interest incurred on repurchase agreements is recognised as interest income and interest expense, respectively, over the life of each agreement using the effective interest method.

(c) Investment securities

The Group's investment securities comprise both debt and equity instruments. These instruments are classified and measured according to the business model for managing each asset as well as based on the cashflow characteristics of each instrument as detailed below.

(d) Debt securities in issue

The Group also uses debt securities as a source of funding. Debt securities in issue are initially measured at fair value which equates to the agreed terms at the issue date minus incremental direct transaction costs and are subsequently measured at amortised cost using the effective interest rate method according to the business model for managing these instruments.

(e) Accounts payable

Accounts payable are recognised on trade date, that is, the date the transactions are contracted with counterparties and are measured at amortised cost.

28. Significant Accounting Policies (continued)

(a) Financial instruments (continued)

(1) The Group's financial instruments fall under the following categories: (continued)

(f) Share capital

The Group classifies capital instruments as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instrument. Common shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(g) Receivables

Receivables are recognised on trade date, that is, the date the transactions are contracted with counterparties. Receivables are measured at amortised cost less impairment. The expected credit loss impairment is determined as outlined in Note 24 (aii).

(2) 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 and fees 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 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 profit or loss.

Interest income

Interest income is calculated by applying the effective interest rate to the gross carrying amount of financial assets, except for:

(a) POCI financial assets, for which the original credit-adjusted effective interest rate is applied to the amortised cost of the financial asset.

28. Significant Accounting Policies (continued)

(a) Financial instruments (continued)

(2) Measurement methods (continued)

(b) 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).

However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

For financial assets that were credit-impaired on initial recognition, interest income is calculated by applying the credit-adjusted effective interest rate to the amortised cost of the asset. The calculation of interest income does not revert to a gross basis, even if the credit risk of the asset improves.

Presentation

Interest income calculated using effective interest method presented in the statement of profit or loss and OCI includes:

- Interest on financial assets and financial liabilities measured at amortised cost;
- Interest on debt instruments measured at FVOCI

Initial recognition and 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.

At initial recognition, the Group measures a financial asset or financial liability at its fair value plus or minus 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, which results in an accounting loss being recognised in profit or loss when an asset is newly originated.

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 (i.e. Level 2), the difference is recognised as a gain or loss.

(i) Financial assets

Classification and subsequent measurement

The Group has applied IFRS 9 and classifies its financial assets in the following measurement categories:

- Fair value through profit or loss (FVTPL);
- Fair value through other comprehensive income (FVOCI); or
- Amortised cost.

28. Significant Accounting Policies (continued)

(a) Financial instruments (continued)

(i) Financial assets (continued)

Classification and subsequent measurement (continued)

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
(j) the cash flow characteristics of the asset.

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 FVTPL, 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 24. (a.ii)(3)i(ii)). Interest income from these financial assets is included in 'Interest and similar income' 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 fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through other comprehensive income, 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 other comprehensive income is reclassified from equity to profit or loss and recognised in 'Gains on securities trading'. Interest income from these financial assets is included in 'Interest income' 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 income' in the period in which it arises Interest income from these financial assets is included in 'Interest income' using the effective interest rate method.

28. Significant Accounting Policies (continued)

(a) Financial instruments (continued)

(i) Financial assets (continued)

Classification and subsequent measurement (continued)

The classification requirements for debt and equity instruments are described below: (continued)

Debt instruments (continued)

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 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. An 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 fair value through profit or loss

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 and none occurred during the period.

28. Significant Accounting Policies (continued)

(a) Financial instruments (continued)

(i) Financial assets (continued)

Classification and subsequent measurement (continued)

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 evidence a residual interest in the issuer's net assets. Examples of equity instruments include basic ordinary shares.

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 profit or loss 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 'Gains on securities trading (net) and Net trading income' line in the statement of profit or loss.

(ii) 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 accounts receivable.

The Group 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 24.(a.(ii))(3) provides more detail of how the expected credit loss allowance is measured.

(iii) 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.

28. Significant Accounting Policies (continued)

(a) Financial instruments (continued)

(iii) Derecognition other than on a modification (continued)

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 asset
(ii) Is prohibited from selling or pledging the assets; and
(iii) 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.

(iv) Financial liabilities

(i) Classification and subsequent measurement

In both the current and prior period, financial liabilities are classified as subsequently measured at amortised cost.

(ii) Derecognition

Financial liabilities are derecognised when they are extinguished (i.e. when the obligation specified in the contract is discharged, cancelled or expires).

The exchange between the Group and its original lenders of debt instruments with substantially different terms, as well as substantial modifications of the terms of existing financial liabilities, are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability. In addition, other qualitative factors, such as the currency that the instrument is denominated in, changes in the type of interest rate, new conversion features attached to the instrument and change in covenants are also taken into consideration. If an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment.

28. Significant Accounting Policies (continued)

(a) Financial instruments (continued)

(iv) **Financial liabilities** (continued)

(ii) Derecognition (continued)

If the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the liability and are amortised over the remaining term of the modified liability.

(b) Revenue recognition

Revenue is income that arises in the course of the ordinary activities of the Group, and is accounted for as follows:

(i) Interest income and expense

Interest income are recognised on the accruals basis in profit or loss for all interest bearing instruments using the effective yield method based on the actual purchase price. Interest income includes coupons earned on fixed income investment and trading securities as well as accrued discount and premium on treasury bills and other instruments.

The effective interest rate method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating the interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash flows through the expected life of the financial instrument, or where appropriate, a shorter period to the net carrying amount of the financial asset or liability. When calculating the effective interest rate, the Group estimates cash flows considering all contractual terms of the financial instrument but does not consider future credit losses. The calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

(ii) Gains on securities trading (net)

Gains on sale of investment securities classified as FVOCI (net of any losses incurred) are recognized in the statement of profit or loss and other comprehensive income on trade date.

(iii) Fees and commissions

Unless included in the effective interest calculation in accordance with IFRS 9, the majority of the Group's fees are transactional in nature and are recognised on an accrual basis as the service is provided. These fees include:

- Equity brokerage commissions - Revenue is recognised at the point in time the service is provided.
- Capital market fees- Revenue is recognised at the point in time when the transaction has been successfully executed.

(iv) Net income from financial instruments at FVTPL

Net income from financial instruments at FVTPL represents both realised gains and losses on the sale these instruments as well as fair value changes in the subsequent measurement. These are recognised in the statement of profit or loss and other comprehensive income on trade date or valuation date as applicable.

28. Significant Accounting Policies (continued)

(b) Revenue recognition (continued)

Other Income

Dividends

Dividend income is recognized when the right to receive payment is irrevocably established. Usually this is the ex-dividend date for quoted equity securities.

(c) Foreign currency

Foreign currency transactions are accounted for at the exchange rates prevailing at the dates of the transactions. At the date of the statement of financial position, monetary assets and liabilities denominated in foreign currencies are translated using the closing exchange rate.

Exchange differences resulting from the settlement of transactions at rates different from those at the dates of the transactions, and unrealised foreign exchange differences on unsettled foreign currency monetary assets and liabilities are recognised in profit or loss.

Exchange differences on non-monetary financial assets are a component of the change in their fair value. Depending on the classification of a non-monetary financial asset, exchange differences are either recognised in profit or loss (applicable for trading securities), or within other comprehensive income.

(d) Property and equipment

Property and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset.

Property and equipment are depreciated on the straight-line basis at annual rates estimated to write down the assets to their residual values over their expected useful lives. The depreciation rate is as follows:

- Computer equipment	25%
- Leasehold improvements	33 1/3%
- Furniture and fixtures	10%

The depreciation method, useful lives and residual values are reassessed at each reporting date.

28. Significant Accounting Policies (continued)

(e) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs meeting the criteria of IAS 38, are not capitalised and the expenditure is charged against profits in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period for an intangible asset with a finite useful life is reviewed at a minimum at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period and treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in profit or loss.

(i) Computer software

Computer software is carried at cost less accumulated amortisation and impairment losses. Amortisation is charged on the straight-line basis over the useful lives of the assets at a rate of 25% per annum, from the date it is available for use.

(ii) Customer list

Acquired customer lists are measured initially at cost. Customer lists have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost over the expected retention period with the Group, which approximates 8 to 15 years.

(iii) Licence

This represents the value of the stock brokering licence acquired by the Group. It has an indefinite useful life. The asset is tested for impairment annually, and whenever there is an indication that the asset may be impaired, the recoverable amount is computed to determine the allowance for the impairment, if any.

(iv) Trademark

The trademark acquired by the Group has a finite useful life, estimated at one year, and is measured at cost less accumulated amortisation and any accumulated impairment losses.

(f) Share capital

Common shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

28. Significant Accounting Policies (continued)

(g) Taxation

Taxation expense in the profit and loss account comprises current and deferred income tax.

Current tax charges are based on taxable profits for the period, which differ from the profit before tax reported because it excludes items that are taxable or deductible in other years, and items that are never taxable or deductible. The group's liability for current tax is calculated at tax rates that have been enacted at the date of the statement of financial position.

Deferred tax is the tax that is expected to be paid or recovered on differences between the carrying amounts of assets and liabilities and the corresponding tax bases. Deferred income tax is provided on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Currently enacted tax rates are used in the determination of deferred income tax.

Deferred tax assets are recognised to the extent it is probable that future taxable profits will be available against which the temporary differences can be utilised.

Current and deferred taxes are recognised in profit or loss, except where they relate to items recorded in other comprehensive income, in which case they are also recognised in other comprehensive income.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income tax assets and liabilities relate to income tax levied by the same fiscal authority on either the taxable entity or a different taxable entity where there is an intention to settle the balances on the net basis.

(h) Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in IFRS 16.

Short-term leases and leases of low-value assets
The Group has elected not to recognise right of use assets and lease liabilities for leases of low-value assets and short-term leases, including IT and office equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(i) Right of set-off

Financial assets and financial liabilities are offset and the net amount presented on the statement of financial position when, and only when the Company has a legally enforceable right to set off the amounts. In the case of client balances once these are held in separately named client accounts there is no legal right of set off in accordance with the rules of the Trinidad and Tobago Stock Exchange as each account is managed separately.

(j) 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 Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

28. Significant Accounting Policies (continued)

(j) Employee benefits (continued)

The Company operates a defined contribution pension plan (the Plan) which covers all employees. The Company's contribution expense in relation to this Plan for the year amounted to $192 thousand (2020: $536 thousand).

(k) New, revised and amended standards and interpretations that became effective during the year

A number of new standards are also effective from 1 January 2020 but they do not have a material effect on the Group's financial statements.

- **Amendments to IFRS 3, Business combinations**

  Amendments to IFRS 3, Business Combinations, became effective on 1 January 2020 and confirmed that a business must include inputs and a process, and clarified that the process must be substantive and that the inputs and process must together significantly contribute to creating outputs. The amendments narrowed the definitions of a business by focusing the definition of outputs on goods and services provided to customers and other income from ordinary activities, rather than on providing dividends or other economic benefits directly to investors or lowering costs.

  The new standard added a test that makes it easier to conclude that a company has acquired a group of assets, rather than a business, if the value of the assets acquired is substantially all concentrated in a single asset or group of similar assets.

  This is not applicable to the Group and thus had no impact.

- **Amendments to IFRS 7 Financial Instruments: Disclosures, IFRS 9 Financial Instruments and IAS 39 Financial Instruments: Recognition and Measurement**

  Amendments to IFRS 7 Financial Instruments: Disclosures, IFRS 9 Financial Instruments and IAS 39 Financial Instruments: Recognition and Measurement became effective on 1 January 2020 and modify some specific hedge accounting requirements to provide relief from potential effects of the uncertainty caused by the IBOR reform. In addition, the amendments require companies to provide additional information to investors about their hedging relationships which are directly affected by these uncertainties. It amends the requirements for hedge accounting to support the provision of useful financial information during the period of uncertainty caused by the phasing out of interest-rate benchmarks such as interbank offered rates (IBORs) on hedge accounting.

  The adoption of amendments to IFRS 7, IFRS 9 and IAS 39 did not result in any changes to the separate and consolidated financial statements.

28. Significant Accounting Policies (continued)

(k) ***New, revised and amended standards and interpretations that became effective during the year*** (continued)

- **Amendments to IFRS 16 Leases**

  Amendments to IFRS 16 Leases became effective on 1 June 2020 and provide lessees with an exemption from assessing whether a COVID-19-related rent concession (a rent concession that reduces lease payments due on or before June 30, 2021) is a lease modification.

  The adoption of amendments to IFRS 16 did not result in any changes to the separate and consolidated financial statements.

- **Amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors**

  Amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors became effective on January 1, 2020 and clarify and align the definition of 'material' and provide guidance to help improve consistency in the application of that concept whenever it is used in IFRS Standards.

  The adoption of amendments to IAS 1 and IAS 8 did not result in any changes to the separate and consolidated financial statements.

(l) ***New standards, amendments and interpretations not yet effective***

A number of new standards and amendments have been issued but are not yet effective. The Group is in the process of accessing the impact of these amendments for its future reporting period.

- **IAS 1- Presentation of financials statements and IAS 28, Investments in associates and joint ventures- Effective 1 January 2022**

  The new Standard provides guidance on the classification of liabilities as current or non-current and introduces narrow-scope amendments to IAS 1 to clarify how to classify debt and other liabilities as current or non-current.

- **IAS 1, Presentation of Financial Statements and IAS 8, Accounting policies, changes in accounting estimates and errors. Effective 1 January 2022**

  The amended standard provides a definition of material to guide preparers of financial statements in making judgements about information to be included in the financial statements.

- **IFRS 3 Business Combinations Effective 1 January 2022**

  The amended standard updates a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.

28. Significant Accounting Policies (continued)

(l) New standards, amendments and interpretations not yet effective (continued)

- **IFRS 7 Financial Instruments: Disclosures, IFRS 9 Financial Instruments, IFRS 16 Lease . Effective 1 January 2022**

  The amended standards require changes in the basis for determining contractual cash flows of financial assets, financial liabilities and lease liabilities, hedge accounting and disclosures. The amendments require the Group to make additional disclosures in its financial statements so that investors can better understand the effects of IBOR (interbank lending rates) reform on the Group.

  The amendments also enable a company to apply a practical expedient to account for a change in the contractual cash flows that are required by IBOR reform by updating the effective interest rate to reflect any change arising from the reform.

  The amendments enable (and require) companies to continue hedge accounting in circumstances when changes to hedged items and hedging instruments arise as a result of changes required by the IBOR reform, by requiring the Group to amend their hedging relationships to reflect:

  - designating an alternative benchmark rate as the hedged risk;
  - changing the description of the hedged item, including the designated portion, or of the hedging instrument.
  - or changing the description of how the entity would assess hedge effectiveness.

  The amendment to IFRS 16 enables a company to apply a practical expedient to account for a lease modification required by the IBOR reform.

- **IFRS 9 Financial Instruments Effective 1 January 2022**

  The amended standard clarifies which fees an entity includes when it applies the '10 per cent' test in assessing whether to derecognise a financial liability.

- **IAS 37 Provisions, Contingent Liabilities and Contingent Assets Effective 1 January 2022**

  The amended standard specifies which costs should be included in the Group's assessment whether a contract will be loss-making.

- **IAS 16 Property, Plant and Equipment-Proceeds before Intended Use Effective 1 January 2022**

  The amendments prohibit the Group from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the cost of producing those items, in profit or loss.

29. Guarantee

The Group has an open ended Standby Letter of Credit in favour of Trinidad and Tobago Central Depository Limited (TTCD) for $7.5 million which is secured by a letter of undertaking. The Letter of Credit is dated 4 June 2020 and is due to expire on 4 June 2021. This guarantee protects the TTCD against credit risk arising from trading activities of the Group.

30. Third Party Assets under Management

Third party owned assets for which the Group acts as custodian are not recognised on the statement of financial position. Although the Group is the custodian of the securities in which the clients participate, it has no legal or equitable right or interest in these securities. At 31 March 2021, the market value of these assets amounted to $286,392 (2020: $ 250,287).

31. Events after the Reporting Period

There are no events occurring after the Group's and the Company's reporting date and before the date of approval of these financial statements by the Board of Directors that require adjustment to or disclosure in these financial statements.

GLOSSARY

IFRS	International Financial Reporting Standards	Standardized accounting standards across international boundaries
IASB	International Accounting Standards Board	Independent account standard-setting body of the IFRS Foundation
FVOCI	Fair value through other comprehensive income	Comprising items of income and expense that are not recognised in profit or loss
FVTPL	Fair value through profit and loss	Comprising items of income and expense that are recognised in profit or loss
ECL	Expected Credit Losses	Measurement of expected credit losses that result from default of financial assets e.g. loans and investments
SICR	Significant increase in credit risk	Significant change in estimated default risk
PD	Probability of default	The likelihood of failure by borrower to repay debt
EAD	Exposure at default	The total value a bank is exposed to when a counterparty defaults
IG	Investment grade	A level of credit rating for counterparties and issues regarded as carrying a minimal risk to investors
LGD	Loss given default	The loss incurred by a financial institution when a borrower defaults on a loan
VaR	Value at Risk	Tool used to measure and control market risk exposures within a firm, portfolio or position over a specified time
Bp	Basis point	Used in expressing differences of interest rates
BCP	Business continuity plan	Process involved in creating a system of prevention and recovery from potential threats to a company
POCI	Purchased or originated credit-impaired	Assets that are credit impaired at initial recognition/purchase
SPPI	Solely payments of principal and interest	Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the company assesses whether the financial instruments' cash flows represent solely payments of principal and interest
ROU	Right of Use Asset	The lessees right to use an asset over the life of a lease
-	Standard Monitoring	This classification applies to financial assets that are current and whose original source of repayment is adequate. It has adequate collateral support and does not carry more than a normal risk of loss.
-	Watch listed	This classification applies to financial assets that are of acceptable quality. However, due to particular weaknesses, it requires more than usual management attention to prevent deterioration.

GLOSSARY (continued)

-	Credit Grades	Credit grades refer to the credit quality of an issuer and/or a specific debt investment security. The JMMB Group categorizes credit grades as either 'investment grade', 'watch', 'speculative' or 'default'.
-	Investment Grade	Investment grade refers to a credit grade. The JMMB Group considers a debt investment security to be 'investment grade' when its credit risk rating is 'BBB-' or better on JMMB Group's internal rating scale.
-	Watch	Watch refers to a credit grade. The JMMB Group considers a debt investment security as 'watch' when its credit risk rating is 'B-' or better but worse than 'BBB-' on JMMB Group's internal rating scale.
-	Speculative	Speculative refers to a credit grade. The JMMB Group considers a debt investment security as 'speculative' when its credit risk rating is 'C' or better but worse than 'B-' on JMMB Group's internal rating scale.
-	Default	'Default' refers to a credit grade. The JMMB Group considers a debt investment security as 'Default' when its credit risk rating is 'D' or 'SD' on JMMB Group's internal rating scale.