



## MEDIA RELEASE

September 27, 2022

### **CariCRIS upgrades its Corporate Credit Ratings for JMMB Group Limited**

<i>CariA-</i>	<b>(Regional Scale Foreign Currency)</b>
<i>CariBBB+</i>	<b>(Regional Scale Local Currency)</b>
<i>jmA+</i>	<b>(Jamaica National Scale Foreign Currency)</b>
<i>jmAA-</i>	<b>(Jamaica National Scale Local Currency)</b>

Caribbean Information and Credit Rating Services Limited (CariCRIS) has upgraded by 1-notch the issuer/corporate credit ratings to *CariA-* (Regional Local Currency) and *CariBBB+* (Regional Foreign Currency) and *jmAA-* (Local Currency Rating) and *jmA+* (Foreign Currency Rating) on the Jamaica national scale to JMMB Group Limited (JMMBGL or the Group). The regional scale ratings indicate that the level of creditworthiness of JMMBGL, adjudged in relation to other obligors in the Caribbean is **good**. The national scale ratings indicate **high** creditworthiness of JMMBGL compared to other obligors in Jamaica.

Our one notch uplift of the ratings of JMMBGL is based primarily on a notable improvement in the Group's financial risk profile over the last 3 years. This improvement has been supported by the Group's growing earning asset base and strategic investment in Sagicor Financial Company Limited (SFC) which drove its profitable growth over the last 3 years averaging 49.2%. Notably, the Group reported its most profitable year of operations in its history in FY2022. Additionally, the Group's strong profitability has enabled adequate profit retention which resulted in Tangible Net Worth (TNW) growing at an average of 36.1% over the last 3 years. Further, the Group's regional expansion activities have resulted in an enhancement of its overall business risk profile. More recently, JMMBGL acquired Banco Múltiple Bell Bank, SA, a commercial bank domiciled in the Dominican Republic which is expected to improve its market position.

CariCRIS has also assigned a **stable** outlook on the ratings. The stable outlook is based on our expectation that the Group will continue to reap the positive benefits to be derived through its 23.29% stake in Sagicor Financial Company Limited (SFC). Additionally, the Group will continue to implement measures geared towards standardising and integrating its regional operations which is expected to support its growth and improved operating efficiencies.



The ratings of the Group reflect its strong brand equity and long history of operations in the Jamaican securities industry. This brand equity has facilitated the Group's expansion into the wider Caribbean region and has positioned it as an emerging player. Additionally, JMMBGL's well-diversified asset portfolio, characterised by good asset quality and strong financial performance also support the ratings. Further, the Group continues to report good capital adequacy ratios, as well as a robust governance structure and risk management practices. These ratings strengths are tempered by the prevailing economic conditions in operating territories that could constrain growth. Additionally, the Group's funding base which is characterized by moderate concentration in repurchase agreements (repo) instruments has contributed to assets/liabilities mismatches.

#### **Rating Sensitivity Factors:**

**Factors that could, individually, or collectively lead to an improvement in the ratings and/or Outlook include:**

- Improvement in the Government of Jamaica's (GOJ) credit rating, reflecting a more favourable business environment for the Group
- Growth in PAT of 15% or more for 3 consecutive years without any adverse impacts on regulatory capital ratios
- Growth in TNW by greater than 15% for 3 consecutive years
- Regional expansion initiatives that lead to an improvement in the Group's market position in its key business segments

**Factors that could, individually, or collectively lead to a lowering of the ratings and/or Outlook include:**

- Deterioration of the NPLs to Gross loans ratio to 8% or more
- Deterioration of the CAR of any of the Group's subsidiaries to below the country specific regulatory requirements
- Cost to Income ratio weakens to 75% and over



### About the Company:

JMMB Group Limited (JMMBGL or the Group) is a financial services Group incorporated and domiciled in Jamaica and listed on the Stock Exchanges of Jamaica and Trinidad and Tobago. The Group was initially established as Jamaica Money Market Brokers Limited (JMMB) in 1992 as a joint venture among the National Development Bank, Mutual Security Bank, Jamaica Producers Group Limited, Jamaica Venture Fund and Antrim Limited. JMMB has been a pioneer in the Jamaican securities industry as the first exclusive money market broker and dealer. Over the ensuing years, the Group's operations have expanded and evolved to include 20 subsidiaries and 1 associated company across Barbados, Jamaica, Trinidad and Tobago (T&T) and the Dominican Republic (Chart 1). In April 2015, a holding company, JMMBGL was formed, under an approved Scheme of Arrangement, as the parent of the Group of companies including JMMB. As at June 2022, JMMBGL's 3 largest shareholders were Proven Investments Limited<sup>1</sup> (20.01%), Trustees JMMB ESOP (9.38%) and National Insurance Fund (5.53%).

The Group offers its products and services through 5 main business lines which include investment management<sup>2</sup>, banking, insurance brokerage, remittances, and other related services, with over 412,000 clients<sup>3</sup> in the 3 countries that it serves. JMMBGL's total assets as at March 2022 stood at J \$622.4 billion<sup>4</sup> and total revenue for the period ended March 2022 was J \$26.8 billion. The Group's largest subsidiary, JMMB Limited domiciled in Jamaica, accounted for approximately 48% and 32.6%<sup>5</sup> of JMMBGL's total assets and revenue respectively. Over the past 8 years, the Group has focused on regional expansion and diversification of its business lines through acquisitions and the development of strategic partnerships. JMMBGL, over the next 5 years, will seek to standardize, centralize and integrate its operations across all entities within the Group, which will serve to improve its operational efficiency. Further, the Group also intends to grow its commercial banking business line regionally with a view to enhancing the diversification of its income and reducing the cost of its funding. To this end, in August 2022 the Group acquired Banco Múltiple Bell Bank, SA, a commercial bank domiciled in the Dominican Republic.

---

<sup>1</sup> Proven Investments Limited is a public investment firm. The Company's primary activities include the holding of tradeable securities for investment purposes and holding private equity investments in small and medium sized companies throughout the region with significant potential for medium term growth.

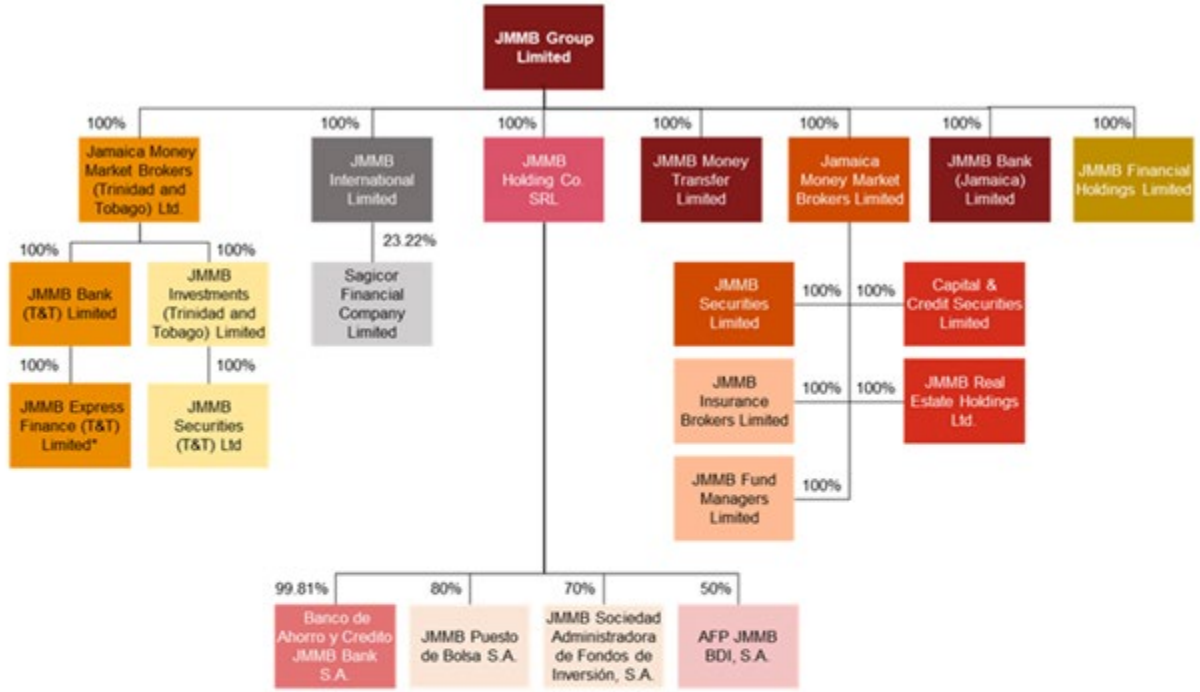
<sup>2</sup> Investment management includes asset management services i.e. on and off-balance sheet solutions, treasury, cambio, fixed income and equities trading and capital market services. On-balance sheet solutions include mutual funds and off-balance sheet solutions include collective investment schemes, pension funds and unit trusts.

<sup>3</sup> As at March 2022

<sup>4</sup> Total assets have been adjusted to exclude intangible assets, unrealized gains/(losses) and contingencies.

<sup>5</sup> On a consolidated basis.

**Chart 1**  
**JMMBGL Corporate Structure as at June 2022**



\* Formerly Intercommercial Trust & Merchant Bank Limited

 BOJ Regulated	 TTSEC Regulated	 Central Bank of Dominican Republic (Future)
 FSC & BOJ Regulated	 FSC Barbados Regulated (Future)	 Superintendencia de Bancos de la Republica Dominicana
 FSC Regulated	 Unregulated	 Superintendencia de Valores de la Republica Dominicana
 Central Bank of TT Regulated	 Toronto Stock Exchange	 Superintendencia de Pensiones de la República Dominicana (SIPEN)
 Newly incorporated FHC Designate		

Source: JMMBGL



*For more information on JMMBGL's ratings, please visit [www.caricris.com](http://www.caricris.com) or contact:*

Ms. Kathryn Budhooram  
Senior Manager, Rating Operations  
Strategic Planning and Brand  
Development  
Tel: 868-627-8879 Ext. 227  
Cell: 1-868-706-6510  
E-mail: [kbudhooram@caricris.com](mailto:kbudhooram@caricris.com)

OR

Mr. Keith Hamlet  
Manager, Ratings  
Tel: 868-627-8879 Ext. 244  
Cell: 1-868-487-8356  
E-mail: [khamlet@caricris.com](mailto:khamlet@caricris.com)

---

**Note:**

*This press release is transmitted to you for the sole purpose of dissemination through your agency/newspaper/magazine. You may use this press release in full or in part without changing the meaning or context thereof, but with due credit to CariCRIS. CariCRIS has the sole right of distribution of its press releases, for consideration or otherwise, through any media, including websites, portals, etc.*