

MEDIA RELEASE

June 24, 2022

**CariCRIS assigns overall ‘good creditworthiness’ ratings to bond issue of up to
US \$160 million of JMMB International Limited**

Caribbean Information and Credit Rating Services Limited (CariCRIS) has assigned an initial issue rating of *jmA* (Foreign Currency Rating) on the Jamaica national scale to the up to US \$160 million bond issue of JMMB International Limited (JMMBIL). The national scale rating indicates **good** creditworthiness compared to other obligors in Jamaica. The assigned ratings benefit from a 2-notch credit uplift due to the full guarantee of the bond issue by the ultimate parent, JMMB Group Limited (JMMBGL).

The ratings are driven by JMMBIL’s affiliation with the JMMB Group which supports its growth and sustainability. Additionally, the full parent guarantee provided by JMMBGL to support debt servicing of the bond, if needed, also supports the rating. Also reflected in the assigned rating is JMMBIL’s history of good financial performance underpinned by good assets returns. Furthermore, the Company has maintained adequate capitalisation levels and a favourable resource base, though refinancing risk applies to the US \$160 million bond issue. These rating strengths are tempered by the structural subordination nature of a large component of JMMBIL’s cash flows and the entity’s exposure to the downside risks associated with the Jamaica and Trinidad and Tobago economy.

CariCRIS also assigned a **stable** outlook on the ratings. The stable outlook is premised on CariCRIS’ expectation that over the next 12 to 15 months JMMBIL will continue to record good financial performance to support debt repayment. Additionally, we expect that the continued strong performance of the parent entity, JMMBGL, will add to the stability of JMMBIL’s credit profile.

Rating Sensitivity Factors:

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

- An improvement in the GOJ's credit rating over the next 12-15 months
- An improvement in the credit rating of JMMBIL's ultimate parent JMMB Group Limited

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

- A deterioration in the GOJ's credit rating over the next 12-15 months
- A lowering of the ratings of JMMBIL's ultimate parent JMMB Group Limited
- Breach of any of the bond covenants including a deterioration below the capital regulatory requirements of any of the operating subsidiaries in their respective jurisdictions
- Failure of JMMBGL to fulfil its role as guarantor if called upon to do so

About the Company:

JMMB International Limited (JMMBIL or the Company) was initially incorporated and domiciled in Saint Lucia and was redomiciled in Barbados in 2020. The Company is a wholly owned subsidiary of JMMB Group Limited (JMMBGL or the Group). JMMBIL forms part of the investment management arm of the JMMB Group and currently holds a portfolio of (long term value) investments, mainly comprising of Government of Jamaica (GOJ) bonds and corporate bonds.

JMMBIL intends to issue a bond of up to US \$160 million in 2 equal tranches of up to US \$80 million each, maturing in 2025 and 2027 respectively. The proposed bond issue will facilitate the repayment of an existing US \$120 million bond initially issued in June 2020¹ and provide US \$40 million for general corporate purposes including the repayment of a portion of the Company's higher cost debt. Each tranche will be serviced through semi-annual interest payments, with

¹ The US \$120 million bond was rated JmA by CariCRIS in June 2020 and reaffirmed at the same rating in June 2021 with a stable outlook. The bond proceeds facilitated the direct transfer of 22.5% equity ownership of Sagico Financial Corporation (SFC) to JMMBIL from JMMBGL with the bond issue being fully guaranteed by JMMBGL. In 2019, JMMBGL acquired 33,213,764 common shares of SFC (at US \$10 per share) as a strategic investment in Alignvest Acquisition II Corporation (AQY), a publicly traded Special Purpose Acquisition Corporation that is listed on the Toronto Stock Exchange. SFC is a leading financial services provider in the Eastern Caribbean, Trinidad and Tobago, and Jamaica with a growing presence as a provider of life insurance products in the United States.

principal repayments to be made by way of bullet payments upon the maturity of each tranche. The bond will be fully guaranteed by JMMB Group Limited².

For more information on JMMBIL's ratings, please visit www.caricris.com or contact:

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² JMMB Group Limited (JMMBGL) is rated *jmA+* (Local Currency Rating) and *jmA* (Foreign Currency Rating) on the Jamaica national scale, with a positive outlook.