ANNUAL REPORT
2024

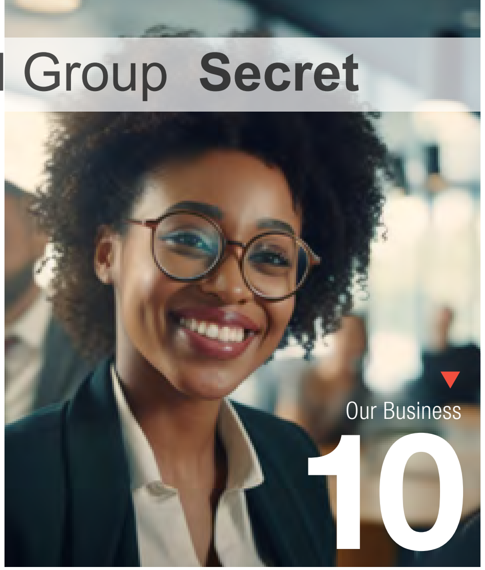
VM Investments Limited

vmil.myvmgroup.com

Transform Your Everyday

At VM Investments Limited, transformation is not just a moment—it is a continuous commitment. Guided by a clear sense of purpose and driven by a relentless pursuit of excellence, we have strengthened our foundation, expanded our vision, and delivered resilient performance even in uncertain times. Every milestone achieved reflects the trust of our clients, the dedication of our team, and our unwavering focus on creating and preserving wealth. As we look ahead, we remain anchored by our values, confident in our strategy, and energized to lead the future of investment in the Caribbean and beyond.

Transformation Through Purpose and Performance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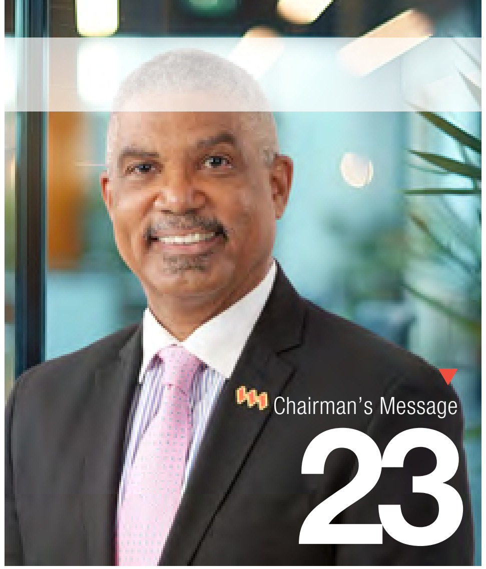
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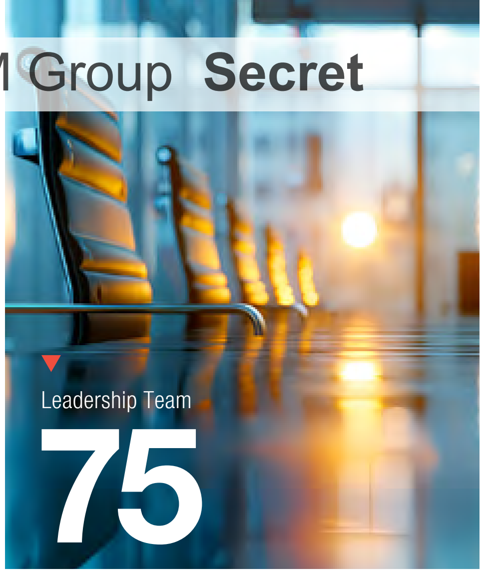
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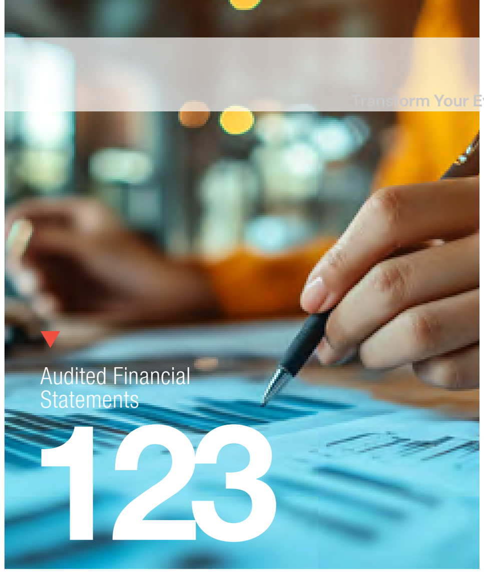
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Our Core

“GUIDED BY PURPOSE DRIVEN BY EXCELLENCE.

Purpose

To educate and empower our Clients to create, grow and sustain their wealth.

VM Group Mission

We are a mutual organisation whose purpose is to empower our Members globally to achieve financial well-being through home ownership and innovative investment solutions delivered across multiple channels by an expert and caring team.

VMIL Vision

We are the premier, Caribbean-based investment company, creating and preserving wealth for our investors globally.

VMIL Mission

We empower our clients and shareholders to achieve financial wellbeing through innovative investment solutions, delivered by an expert and caring team.

Core Values

- Member Focus
- Integrity
- Teamwork
- Innovation
- Excellence

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting of VM INVESTMENTS LIMITED (the "Company") will be held at Training Room, VM Group Corporate Office, 73-75 Half Way Tree Road, Kingston 10, in the parish of Saint Andrew on **Wednesday, June 11, 2025 at 3:00 p.m.** to consider, and if thought fit, pass the following resolutions:

1. **Resolution No.1 – Audited Accounts**

   "THAT the Audited Accounts of the Company for the year ended December 31, 2024, and the Reports of the Directors and Auditors, circulated with the Notice convening the Meeting, be and are adopted."

2. **Resolution No. 2 – Declaration of Dividend**

   "THAT the interim dividend of $0.032 per stock unit, paid on July 9, 2024, be and is hereby ratified and declared for the financial year ended December 31, 2024."

   "THAT the interim dividend of $0.053 per stock unit, paid on December 5, 2024, be and is hereby ratified and declared as the final dividend for the financial year ended December 31, 2024."

3. **Resolution No. 3 – Retirement of Directors**

   3A) Retirement by Rotation pursuant to Article 108:

   "THAT Director **Mr. Michael McMorris** retiring by rotation pursuant to Article 108, of the Articles of Incorporation, who being eligible for re-election, is hereby elected."

   "THAT Director **Mr. Matthew Wright** retiring by rotation pursuant to Article 108, of the Articles of Incorporation, who being eligible for re-election is hereby elected."

   "THAT Director **Mr. Rezworth Burchenson** retiring by rotation pursuant to Article 108, of the Articles of Incorporation, who being eligible for re-election is hereby elected."

   3B) Retirement Pursuant to Article 106:
   "THAT Directors Maria Evelyn-Robinson and Frederick Williams, having been appointed effective February 12, 2025 and March 24, 2025, respectively as additions to the Board since the date of the last Annual General Meeting, and retiring pursuant to the Article 106 of the Articles of Incorporation, being eligible for re-election, be and are hereby re-elected."

4. **Resolution No. 4 – Directors' Remuneration**

   "THAT the amount of $25,251,000 included in the Audited Consolidated Accounts of the Company for the year ended December 31, 2024, as remuneration for their services as Directors be and is hereby approved."

5. **Resolution No. 5 – Appointment of Auditors**

   "THAT KPMG, Chartered Accountants, having signified their willingness to continue in office as Auditors, be and are hereby appointed Auditors of the Company to hold office until the next Annual General Meeting, at a remuneration to be agreed with the Directors."

DATED this 14th day of May 2025.

BY ORDER OF THE BOARD

KERI-GAYE BROWN
CORPORATE SECRETARY

REGISTERED OFFICE
6-10 Duke Street
Kingston

A Shareholder of the Company, entitled to attend and vote, is entitled to appoint a Proxy to attend and vote in his/her stead, and a Proxy need not be a Shareholder.

If you are unable to attend the Meeting, a Form of Proxy is enclosed for your convenience. The Form should be lodged at the Registered Office of the Company, at least forty-eight (48) hours before the time appointed for the Meeting.

The Proxy Form should bear stamp duty of $100.00 or such amounts as prescribed by the Stamp Duty Act before being signed. The stamp duty may be paid by adhesive stamp(s), which are to be cancelled by the person executing the Proxy.

Directors' Report

VM Investments Limited (the Company)

1. The Directors submit herewith the Consolidated Statements of Revenues and Expenses, Comprehensive Income and Financial Position for the year ended December 31, 2024.

2. The Consolidated Statement of Revenue and Expenses reports pre-tax profit for the year of $ 454,684,000 from which there has been added $ 101,038,000 for corporate income tax, resulting in an after-tax profit of $555,722,000.

3. The appropriation of earnings detailed in the financial statements include:

   - An interim dividend of $0.032 per stock unit, paid on June 18, 2024.

   - An interim dividend of $0.053 per stock unit, paid on December 5, 2024.

4. **A) Directors Retiring by Rotation pursuant to Article 108:**

   Director **Mr. Michael McMorris** retiring by rotation pursuant to Article 108 of the Articles of Incorporation who being eligible for re-election is hereby elected.

   Director **Mr. Matthew Wright** retiring by rotation pursuant to Article 108 of the Articles of Incorporation who being eligible for re-election is hereby elected.

   Director **Mr. Rezworth Burchenson** retiring by rotation pursuant to Article 108 of the Articles of Incorporation who being eligible for re-election is hereby elected.

   B) **"THAT** Director Maria Evelyn-Robinson, having been appointed effective February 12, 2025 as an addition to the Board since the date of the last Annual General Meeting, and retiring pursuant to the Article 106 of the Articles of Incorporation, being eligible for re-election, be and is hereby re-elected."

   "THAT Director Frederick Williams, having been appointed effective March 24, 2025 as an addition to the Board since the date of the last Annual General Meeting, and retiring pursuant to the Article 106 of the Articles of Incorporation, being eligible for re-election, be and is hereby re-elected."

   C) Resignations – The Board acknowledges the resignations of Bridget Lewis, effective August 1, 2024, and Janice McKenley, effective January 1, 2025, from VM Investments Limited and expresses gratitude to them for their dedicated service to the Board of Directors.

5. The Auditors, KPMG, have signified their willingness to continue in office.

6. Your Directors wish to thank the Management and Staff of the Company for their participation.

ON BEHALF OF THE BOARD

MR. MICHAEL MCMORRIS
CHAIRMAN

Our Business

“

TRANSFORMING LIVES THROUGH INNOVATIVE INVESTMENT SOLUTIONS — ONE CLIENT, ONE OPPORTUNITY AT A TIME.

Corporate Profile

VM Investments Limited

VM Investments Limited (VMIL) is a publicly listed investment and financing company, trading on the Jamaica Stock Exchange (JSE) since December 2017. Domiciled in Jamaica, VMIL is a subsidiary of VM Financial Group Limited, which holds an eighty per cent (80%) stake. The remaining twenty per cent (20%) is owned by minority shareholders.

Incorporated in 1984, VMIL has steadily built a reputation of offering innovative and inclusive investment and financing solutions. Today, we continue to transform lives through our corporate solutions, one margin loan, one lease financing, one trade financing service and one private equity investment at a time. Strong governance is at the core of our operations. To that end, we strive to improve upon our Corporate Governance rating from the JSE, which was rated A in 2024.

On September 20, 2024, regional rating agency, the Caribbean Information & Credit Rating Services Limited (CariCRIS) reaffirmed the investment-grade Issuer/Corporate Credit Ratings assigned to VMIL at CariBBB (Local Currency Rating) on the regional scale, and jmBBB+ (Foreign Currency Rating) and jmA- (Local Currency Rating) on the Jamaica national scale, adjudged in relation to other obligors in Jamaica, as good. A stable outlook was maintained. These ratings included a one-notch uplift for implied support from VM Financial Group Limited (the Parent).

VMIL is the parent company of VM Wealth Management Limited (VMWM). VMIL has also, over the years, acquired holdings in Kingston Properties Limited (KPREIT), Home Choice Limited, Island Car Rentals, Stationery World and Book Center Limited, and through VMWM, ColdBush Organics. In 2019, VMIL acquired a 30% equity stake in Carilend, a regional Fintech company. In March 2024, VMIL sold its stake in Carilend to the VM Financial Group, realizing a positive return on investment.

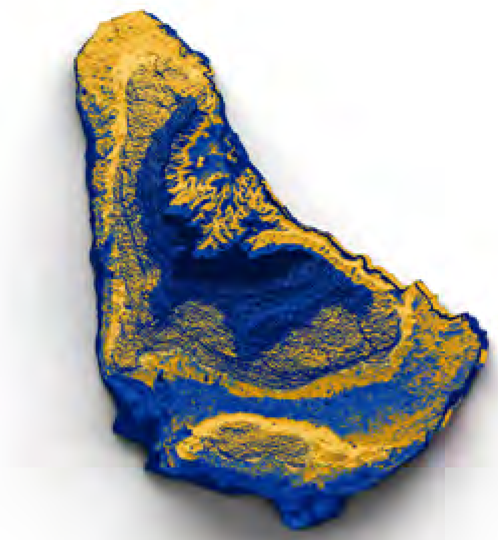
VMIL has committed US $10 million to the Jamaica Actus Small and Medium Enterprise Fund 1 (JASMEF 1) to support small and medium-sized enterprises (SMEs) via private equity investments. This relationship with the Development Bank of Jamaica (DBJ), provides VMWM with the first right of refusal to act as a broker for Initial Public Offerings (IPO) and arranger for these companies. The London-based Actus Partners plans to raise up to US $100 million and support at least 15 SMEs.

As a member of the VM Group, VMIL is guided by the Group's Vision, Mission, Strategic Goals, Core Values, and Cultural Beliefs.

REGIONAL EXPANSION

On December 1, 2023, VMWM acquired a restricted mutual fund administrator license from the Financial Services Commission in Barbados, allowing VMWM to manage and administer mutual funds in Barbados. The acquisition of Republic Bank (Barbados) Limited's 100% shareholding of

"BUILDING A FUTURE OF GROWTH, RESILIENCE, AND OPPORTUNITY ACROSS JAMAICA AND THE CARIBBEAN.



Our Business

CONTINUED

the issued and common shares in Republic Funds (Barbados) Incorporated (RFI) was completed on January 18, 2024. VMWM assumed the role of Administrator of the mutual funds previously administered by RFI. Subsequently, the funds were renamed and rebranded as VM Wealth Funds Ltd.

This acquisition allowed VMIL to gain market share, increase its products and services, and grow its client base in Barbados. Through its Barbados operations, VMIL grew its client base by over 1,300 clients, and its assets under management by approximately Bd $20 million (US $10 million).

VM Wealth Management Limited

VM Wealth Management Limited is an investment brokerage house, licensed by the Financial Services Commission (FSC). VMWM also holds a Member Dealer license from the JSE Incorporated and domiciled in Jamaica, VMWM is a leading provider of wealth management services, security trading and sales as well as investment advisory and corporate solutions.

As a subsidiary of VMIL and member of the VM Group, VMWM is buttressed by 146 years of strong, prudent, and dependable fiscal management. Expertly leveraging the expertise of our team, VMWM remains committed to transforming lives. We maintain a resolve to deliver smart solutions, unlock maximum value, and propel growth for individuals and organisations in Jamaica, the Caribbean, and across the globe.

> “GUIDED BY STRONG GOVERNANCE, DRIVEN BY INNOVATION, COMMITTED TO EVERY CLIENT’S SUCCESS.

VMWM’s high standards are regularly recognised, with the team receiving three awards at the 2024 JSE Annual Best Practices Awards as follows:

- **Member Dealers Award: Investor Relations & Stockbrokerage (Winner)**
- **Member Dealers Award: Website (1st Runner-Up)**
- **Member Dealers Award: Expansion of Investors & Listed Companies Base (2nd Runner-Up)**

Corporate Structure

AS AT DECEMBER 31, 2024

Strategic Outlook and Achievements

TWO-PILLAR STRATEGY

OUR STRATEGIC ROADMAP

VMIL has charted a clear and ambitious path for sustainable success, as outlined in our 2024-2026 Strategic Plan. **Our strategy is built on two core pillars:**

1. **Revenue Growth and Diversification**
2. **Implementing Self-Serve Capabilities**

"

VMIL IS POSITIONING ITSELF FOR LONG-TERM RESILIENCE, MARKET LEADERSHIP, AND AN ENHANCED ABILITY TO SERVE CLIENTS—THROUGH GROWTH, INNOVATION, AND DIGITAL EMPOWERMENT.

1. Revenue Growth and Diversification

Expanding our revenue streams, reducing dependency on any single source, managing financial risk, and driving innovation to remain competitive across multiple markets.

- **Accelerate Asset Management**
- **Private Equity**
- **Product Rationalisation**

2. Implementing Self-Serve Capabilities

Enhancing digital solutions and customer engagement to empower clients with greater financial independence and seamless access to investment opportunities.

- **Redefining Business Processes**
- **Upgrading Existing Systems**
- **Implementing New Systems**
- **Integrating our Platforms**

To drive revenue growth and diversification, VMIL is focused on:

- Expanding Assets Under Management (AUM) through the launch of new investment funds, private equity opportunities, and real estate ventures.
- Diversifying funding sources by strengthening our regional presence and engaging international investors—especially through our diaspora-driven initiatives.
- Rationalising product offerings to optimise efficiency and align solutions with evolving market needs.

Simultaneously, our push towards self-serve investing will be achieved by:

- Enhancing digital platforms for a seamless client experience.
- Closing gaps in customer engagement through targeted engagement programmes, financial education, and advisory support.
- Empowering clients with innovative tools that foster independence and confidence in managing their investments.
- Embedding robust risk management tools to empower clients with informed decision-making and safeguard their financial goals.

By executing this strategy with precision, we are positioning ourselves for long-term resilience, market leadership, and an enhanced ability to serve our clients and stakeholders effectively.

Our Achievements in Executing our Strategy

In 2024, we made changes to our operations to focus on client experience and enhanced internal controls.

Targeted Communication	Launched the distribution of targeted communication to Clients based on the needs of specific Client segments to improve personalised experiences.
Standard Advisories (FAQs) for Auto-replies	Launched an auto-response system from our inboxes with standardised Client communication to improve Client education and product knowledge, including clarifications of key terms and conditions.
Direct Client Feedback for Wealth Advisors	Launched the Net Promoter Score for Wealth Advisors to measure and assess their interactions with clients and measure overall service delivery of our Client-facing Team Members.
Mailbox Rationalisation	Re-direction of queries through a dedicated channel for managing Client inquiries.

Increased Migration to VM Wealth Client Portal	Launched the digital adoption and enrolment drive to migrate clients to the VM Wealth Client Portal, an easier way for Clients to manage their financial needs, resulting in an increase in the adoption of this channel from 31% to 50%.
Improved Team Member Communication and Awareness	Launched the dissemination of weekly internal controls tips, to remind and sensitise Team Members about good operating standards and best practices.

In 2025, we plan to:

- Improve processes to create a more seamless client experience.
- Drive Client satisfaction by reducing the time taken to provide service.
- Improve the digital experience and satisfaction rate by 60% and achieve 60% enrolment on our VMWM Client Portal and 65% enrolment on the J-Trader platform.
- Provide strong performance management within the VMIL team, through cross-functional collaboration, high levels of engagement and talent development.
- Enhance employee awareness and understanding of internal controls through comprehensive training and communication programmes.
- Implement key technology enhancements to improve control effectiveness and operational efficiency.

As part of our commitment to sustained growth and adaptability, VMIL continuously reviews and refines our strategy map to ensure alignment with evolving market dynamics. Through ongoing assessments of our strategy's effectiveness within the broader economic environment, we proactively adjust our approach to capitalise on emerging opportunities and mitigate risks. This process allows us to remain agile, ensuring that our revenue growth, diversification efforts, and self-serve initiatives remain relevant and impactful in an ever-changing financial landscape.

Strategic Outlook and Achievements

CONTINUED

VMIL 2024-2026 STRATEGY MAP

Financial	F1: Profitable Revenue Growth	F2: Sound Capital Base	F3: Widened Market Scope	F4: Grow AUM
Customer	C1: Grow Active Membership	C2: Improve Customer Experience	C3: Create Brand Awareness	C4: Improve Financial Literacy
Internal Processes	IP1. Exploit and leverage digital technologies & AI/ Implement Self-Serve	IP2. Increase efficiency/Robust Process Flows	IP3. Manage Investment Portfolios	
	IP4. Manage Risks	IP5. Effective Client Segmentation & Relationship		
Learning & Growth	LG1. Develop Team Members' Competencies	LG2. Negotiate partnerships, Strategic Alliances and carry out Mergers and Acquisitions	LG3. Innovate Asset Management products services & Distribution Channels	LG4. Drive Effective Business Development

Anticipated Future Market Themes

Sustainable Investing

Sustainable investing, which includes strategies for integrating Environmental, Social and Governance (ESG) factors into investment decisions, has seen significant growth as investors increasingly prioritise sustainability along with profitability. A 2024 survey by Morgan Stanley revealed that 77% of individual investors globally are interested in sustainable investing, with 54% planning to increase their allocations in the next year. The launch of the JSE Green Social, Sustainability and Sustainability-linked Bond Guide (GSS+) highlights the financial sector's role in funding green initiatives. GSS+ provides the framework needed for a green bond in the local market, sensitising investors to an upcoming blue and/or green bond product. When analysing the performance of companies, our investment analysts are also considering companies' impact on the environment and society, along with financial performance. Sustainable investing is moving away from being a niche market and is becoming a mainstream consideration in portfolio management. At VM, we have incorporated an ESG adoption assessment in our counterparty credit risk model, as well as incorporated sustainable investing in our Group Investment Policy to ensure that our investments are responsible and executed in a sustainable way.

Increased interest in Alternative Investments

Globally, the landscape for alternative investments, which includes any asset class excluding stocks and bonds, such as private equity, venture capital and real estate, is evolving. For investors, this provides an opportunity for portfolio diversification, which may result in higher returns, particularly in volatile environments. Private Equity and Venture Capital Investing drive innovation and economic growth as they tend to focus on startups and businesses in their growth stages. Combining financial performance with social value, investing in alternatives provides a dynamic avenue for investors to achieve both profit and purpose. Our Asset Management Unit has been giving particular focus to our real estate portfolio, recognising the opportunities for return enhancement in that asset class. Meanwhile, we have dedicated capital to growing our private equity allocation on two fronts: direct investments through VMIL and indirectly through the Actus partnership fund, JASMEF.

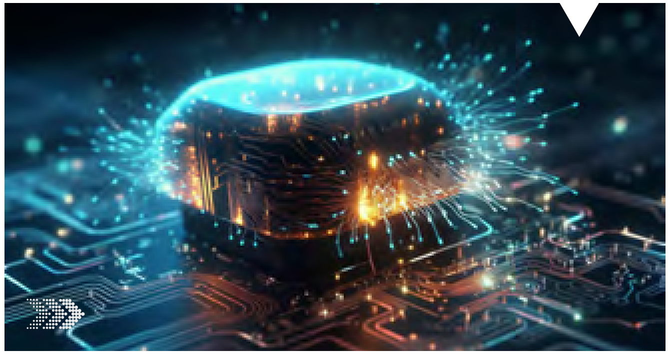
Corporate Governance & Accountability

Corporate Governance, the framework by which a company is directed and controlled, has become a key area of focus for investors and shareholders. Strong governance practices are essential for building investor trust, minimising risk and ensuring sustainable growth. Stakeholders have been increasingly demanding greater oversight of issues relating

Anticipated Future Market Themes

CONTINUED

to ESG factors and strategies, pushing companies to adopt more transparent practices. At VMIL, a strong corporate governance foundation is our top priority, recognising its critical importance to our stakeholders—shareholders, customers, employees, and regulators. We believe that sound corporate governance fosters an accountable Board of Directors, drives strong business performance, and ensures long-term sustainability



Data Analytics & Artificial Intelligence (AI)

The integration of data, analytics, and artificial intelligence (AI) has pushed businesses further along the path of innovation. These allow organisations to harness efficiency and make smart decisions. Within the investment sector, this is taking the form of leveraging predictive analytics to identify trends, optimise portfolios, and discover untapped opportunities. The growing importance of data has reshaped the way companies operate, resulting in the prioritisation of hiring skilled data analytics professionals. The advancements made in this area show not only how data-driven innovation is reshaping industries but also playing a part in reshaping the labour force. We have been assessing our processes to determine where efficiencies can be gained from use of AI and have started to implement these.

Additionally, we have been using data analytics to get a better understanding of our Clients' needs so that we can better respond through more targeted offerings.

Data Privacy

Data privacy is a critical market theme as global regulations tighten, cybersecurity threats rise, and consumer expectations for data protection grow. In Jamaica, the Data Protection Act (DPA) of 2020, effective from December 2023, makes compliance essential for businesses, impacting risk management and investment decisions. With the expansion of digital finance, fintech, and AI, data security is key to maintaining trust and business resilience. For investment companies, this presents both risks – such as regulatory fines and reputational damage – and opportunities in cybersecurity and compliance-driven tech. Effective February 5, 2025, the VM Group appointed a Group Data Protection Officer to oversee and manage our data privacy and protection strategies. Although it is not new to us, this was a move to give greater focus to this important area, particularly given the critical sector in which we operate.

Historical Statistical Review

Historical Statistical Review

	2017	2018	2019	2020	2021	2022	2023	2024
SUMMARY BALANCE SHEET								
Total Assets ($'000)	20,068,454	21,610,199	25,327,701	29,493,139	30,924,602	28,941,792	29,506,794	30,455,151
Cash & Cash Equivalents ($'000)	3,409,989	740,538	1,917,241	1,571,567	763,557	1,192,249	877,655	1,469,290
Resale Agreements ($'000)	3,371,409	4,217,141	3,937,275	7,380,680	4,051,332	752,147	1,570,685	861,775
Investments Securities ($'000)	11,683,640	13,241,358	16,718,180	16,366,621	20,399,811	17,560,235	18,276,764	19,471,561
Loan Receivables ($'000)	441,057	1,376,139	1,876,637	1,789,651	3,482,266	5,467,380	4,651,668	4,102,234
Total Liabilities ($'000)	17,484,432	18,837,775	21,000,873	25,359,543	27,868,027	26,453,220	25,456,585	25,837,018
Repurchase Agreements ($'000)	13,164,960	15,454,981	16,999,392	20,312,831	19,649,270	15,589,291	14,356,049	13,933,279
Shareholder's Equity ($'000)	2,584,022	2,772,424	4,326,828	4,133,596	3,056,575	2,488,572	4,050,209	4,618,133
Shareholder's Equity Attributable to the owners ($'000)	2,534,022	2,722,424	4,276,828	4,083,596	3,006,575	2,438,572	2,500,209	3,068,133
SUMMARY INCOME STATEMENT								
Net Interest Income ($'000)	246,989	250,079	260,381	289,622	369,214	253,038	47,821	151,399
Net Fees & Commission ($'000)	500,163	838,268	933,128	925,323	791,956	1,011,760	944,933	1,014,789
Gains From Investment Activities ($'000)	193,077	213,879	485,899	593,988	670,156	946,527	866,343	1,437,398
Consolidated Revenues ($'000)	966,455	1,306,775	1,682,961	1,875,589	1,856,147	2,336,950	1,882,536	2,643,423
Total Operating Expense ($'000)	498,630	767,740	881,397	1,240,712	1,197,928	1,400,674	1,873,649	2,382,109
Staff Cost ($'000)	292,329	349,068	518,023	587,487	648,619	764,675	912,572	1,109,819
Other Operating Cost ($'000)	206,301	313,230	459,416	533,906	544,443	756,325	810,701	1,108,423
Depreciation & Amortization ($'000)	11,241	28,888	66,452	72,604	79,019	89,410	103,427	104,892
Taxation charge / (credit) ($'000)	121,523	141,437	188,178	165,283	218,187	219,688	(25,546)	(101,038)
Profit Before Tax ($'000)	467,825	539,035	786,227	598,873	658,219	936,276	173,298	454,684
Net Profit ($'000)	346,302	397,598	598,049	433,590	440,032	716,588	198,844	555,722
PROFITABILITY RATIOS/METRICS								
Net Interest Margin	1.44%	1.30%	1.18%	1.12%	1.32%	0.94%	0.19%	0.59%
Net Profit Margin	35.83%	30.43%	35.54%	23.12%	23.71%	30.66%	10.56%	21.02%
Return on Equity	16.49%	14.85%	16.85%	10.25%	12.24%	25.85%	6.08%	12.82%
Return on Assets	1.90%	1.91%	2.55%	1.58%	1.46%	2.39%	0.68%	1.85%
Cost/Income Ratio	51.59%	58.75%	52.37%	66.15%	64.54%	59.94%	99.53%	90.11%
Effective Tax Rate	25.98%	26.24%	23.93%	27.60%	33.15%	23.46%	-14.74%	-22.22%

	2017	2018	2019	2020	2021	2022	2023	2024
STOCK INFORMATION								
Earnings Per Share	$0.23	$ 0.27	$0.40	$ 0.29	$0.29	$0.48	$0.13	**$0.37**
Closing Stock Price	$3.24	$3.82	$8.97	$5.90	$6.13	$4.02	$2.75	**$2.52**
Price to Earnings Ratio	14.03x	14.41x	22.50x	20.41x	20.90x	8.42x	20.75x	**6.80x**
Book Value Per Share	$1.72	$1.85	$2.88	$2.76	$2.04	$1.66	$2.70	**$3.08**
Price to Book Ratio	1.88x	2.07x	3.11x	2.14x	3.01x	2.42x	1.02x	**0.82x**
Dividends Per Share	$0.25	$0.14	$0.19	$0.03	$0.16	$ -	$ -	**$0.08**
Dividends Paid	$380,867.00	$210,004.00	$285,005.00	$45,001.00	$232,504.00	$ -	$ -	**$127,502.00**
Dividends Payout Ratio	109.98%	52.82%	47.66%	10.38%	52.84%	0.00%	0.00%	**22.94%**
Capital Gains	32.24%	17.90%	134.82%	-34.23%	3.90%	-34.42%	-31.59%	**-8.36%**
BALANCE SHEET RATIOS								
Current Ratio	0.46x	0.42x	0.39x	0.50x	0.32x	0.31x	0.31x	**0.28x**
Investments Securities as a % of Total Assets	58.22%	61.27%	66.01%	55.49%	65.97%	60.67%	61.94%	**63.94%**
Repurchase Agreements as a % of Total Liabilities	75.30%	82.04%	80.95%	80.10%	70.51%	58.93%	56.39%	**53.93%**
Capital to Assets Ratio	12.88%	12.83%	17.08%	14.02%	9.88%	8.60%	13.73%	**15.16%**
OTHER STATISTICS								
JSE Main Market Index as at December 31	288,381.97	379,790.86	509,916.44	395,614.93	396,155.61	355,896.64	325,699.79	**335,794.94**
JSE Main Market Index Annual Movement	49.98%	31.70%	34.26%	-22.42%	0.14%	-10.16%	-8.48%	**3.10%**
12-Monrh Point-to-Point EOY Inflation Rate	5.25%	2.41%	6.24%	5.21%	7.30%	9.35%	6.88%	**4.97%**
EOY JMD/USD Exchange Rate (Bid)	$ 125.00	$127.72	$132.57	$142.65	$155.09	$152.05	$154.95	**$156.42**
Annual Real GDP Growth	0.70%	1.80%	1.00%	-9.90%	4.60%	5.20%	2.60%	**-0.80%**
Average Annual Unemployment Rate	11.64%	9.10%	7.72%	7.61%	8.36%	6.28%	4.38%	**4.18%**

Historical Statistical Review

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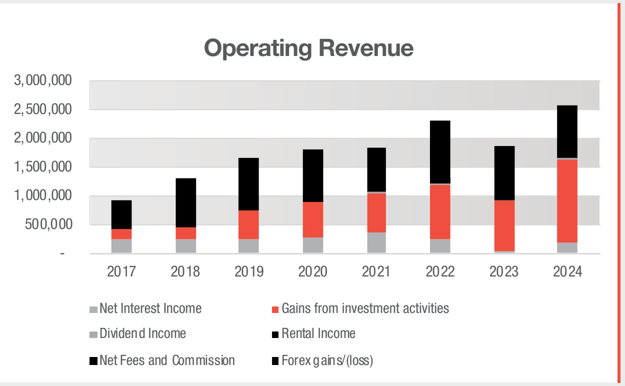
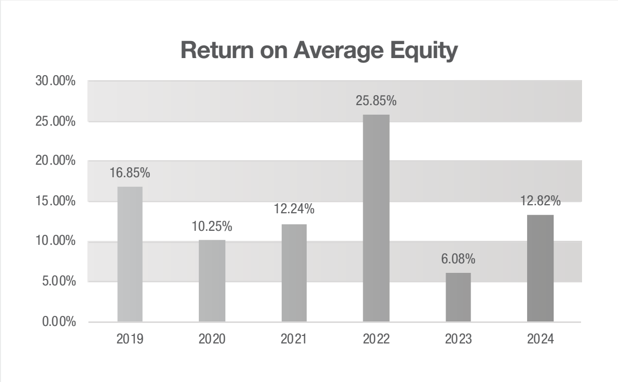
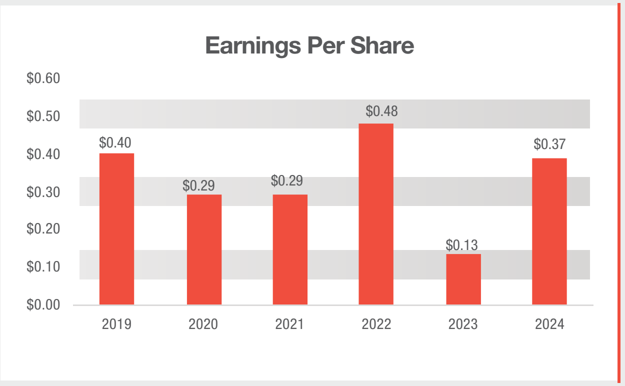
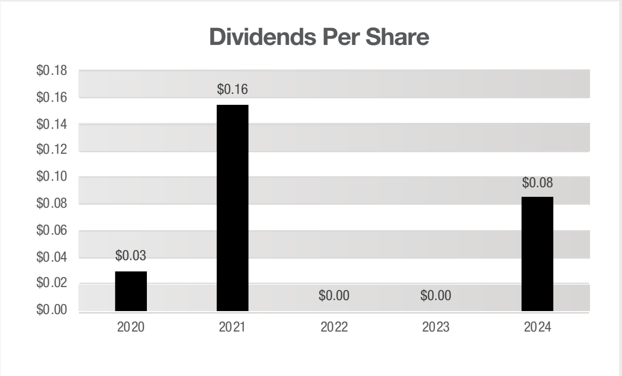








Chairman's Message

"2024 WAS A YEAR OF PROGRESS AND RESILIENCE. TOGETHER, WE WILL CONTINUE TO BUILD A FUTURE WHERE VMIL THRIVES."

—Michael McMorris, Chairman

Chairman's Message

On behalf of the Board of Directors, I am pleased to present the 2024 VM Investments Limited Annual Report.

As we reflect on the past year, our resilience and commitment to creating value for our Shareholders remained clear and robust. We successfully navigated a dynamic macroeconomic environment while continuing to strengthen our governance and strategic frameworks in order to bolster VMIL's ability to generate greater long term Shareholder value.

Overall, our profits attributable to Shareholders increased to $555.72 million or 37c per share from $198.84 million or 13c per share in 2023. Net Interest Income grew by 216.59 percent, moving from $47.82 million in 2023 to $151.40 million in 2024. Total Assets increased by 3.21 percent, from $29.51 billion in 2023 to $30.46 billion in 2024. VMIL achieved a Return on Equity of 12.82 percent and VM Wealth Management achieved a Capital Adequacy Ratio of 23.59 percent, well in excess of the regulatory requirement of 10 percent.

In 2024, we were also pleased to resume the payment of dividends to our Shareholders, following a necessary halt during the COVID pandemic and its aftermath. During the year, we paid out $127.50 million via two interim payments, for a dividend payout ratio of 22.9 percent. We continue work to raise this ratio as a part of our commitment to deliver consistent value to our Shareholders.

Governance & Strategic Oversight

At VMIL, governance is the cornerstone of our operations. Throughout 2024, the Board placed strong emphasis on refining our 2024-2026 corporate strategy, ensuring that we remain agile and responsive to market changes. A key area of focus was strengthening our strategic oversight to align our goals with the evolving macroeconomic landscape. We reviewed and refined our approach to risk management, digital transformation, and leadership development to make certain that VMIL remains at the forefront of the financial services sector.

Strategy in Action

VMIL has charted a clear and ambitious path for sustainable success, focusing on two core pillars: Revenue Growth & Diversification, and Client Empowerment through the implementation of Self-Serve Capabilities. The first pillar aims to expand revenue streams, reduce dependency on dominant revenue sources, manage financial risk, and drive innovation. The second pillar enhances digital solutions and customer engagement, to provide clients with the desired levels of freedom and support.

Towards our target of Diversification - on January 19, VMIL purchased the Republic Funds in Barbados, following an extended negotiation and acquisition period, and rebranded them as VM Wealth Funds. Our official launch was held on March 21 and was attended by key stakeholders and ministers in the financial and investment sectors in Barbados. We are pleased that our Income Fund led in its fund class, with a standout 6.58 percent return for fund holders.

Under our empowerment pillar, we improved client experience and internal controls by launching targeted engagement based on client segments, implementing auto-response systems for faster communication, and introducing Net Promoter Scoring by clients for Wealth Advisors.

Operational efficiency was also boosted by redirecting queries through dedicated channels, promoting digital adoption to increase portal usage from 31 percent to 50 percent, and disseminating weekly internal control tips to Team Members.

Challenges & Lessons for Future Growth

While 2024 saw positive developments, VMIL also faced challenges. We responded to the fallout from the recent high-inflation and high-interest-rate environment by adopting larger reserves for asset impairment and expected credit losses. Simultaneously, we strengthened our risk governance with the addition of more Risk Management expertise and heightened attention to the refinement of our risk management framework. The board remains committed to agility in our Risk Management approach to ensure that we can respond to changes in the macro-environment and the possibility of emerging threats going forward.

We also faced stock price volatility, a reminder of the broader challenges facing our economy and stock markets. Our commitment to maximising Shareholder value remains unwavering, and we are focused on driving sustainable growth to overcome these challenges and deliver long-term returns.

Financial Strength & Shareholder Value

To enhance our sustainability for the future, we continue to strengthen our capital. This year we refinanced and publicly listed J$5.4 billion bonds, extending the maturity dates to as far as 2027. We were also able to grow our book value, a tangible representation of Shareholder value, from $4.05 billion in 2023 to $4.62 billion in 2024.

VMIL earned an improvement to A in our Corporate Governance Index score from the Jamaica Stock Exchange, while simultaneously, rating agency CariCRIS reaffirmed our overall investment grade CariBBB status.

For their relentless drive at Client empowerment, transparency and accountability, the Team was recognised by the Jamaica Stock Exchange at its annual Best Practices Awards in three categories: Member Dealers Award: Investor Relations & Stockbrokerage (Winner), Member Dealers Award: Website (1st Runner Up), and Member Dealers Award: Expansion of Investors & Listed Companies Base (2nd Runner Up).

Kudos to the entire Team!

Board Transitions

Director succession continued in 2024 as three directors departed - Devon Barrett, a former VM Wealth CEO and Chief Investment Officer of VM Group, Janice McKenley, VM Group CFO, and independent director Bridget Lewis. We thank them for their years of exceptional service and contributions to the success of VMIL. Their expertise, leadership, and commitment have left a meaningful mark on our organisation.

As we look ahead, the Board remains focused on governance renewal, and we continue to create the right blend of experience, innovation, and diversity to drive VMIL forward. These efforts will continue in 2025 with the appointment of Maria Robinson to the Board. Maria brings extensive tax and accounting expertise and is particularly versed in the Barbadian landscape. We also are pleased by the appointment of Frederick Williams, who joined the VM Group as Chief Financial Officer in January 2025. In addition to leading the finance function for large financial institutions, Frederick has particular expertise in transforming businesses through the use of data analytics to enhance timely decision-making. He is well-regarded for his sound business acumen, demonstrated in his leadership of several change management initiatives and business reorganisations to achieve strategic priorities and increase enterprise value. We are confident that the enterprise will benefit from Frederick's experience and expertise.

Outlook & Long-Term Vision

Looking ahead, the Board is confident in VMIL's growth trajectory. We are excited about the opportunities that lie ahead as we continue to position ourselves as a leader in shaping the future of Caribbean financial markets.

In 2025, we plan to improve processes for a more seamless client experience and drive client satisfaction by reducing service times. We will enhance the digital experience and satisfaction rate with higher enrollment on our VM Wealth portal. Strong performance management within the VMIL team will be provided through cross-functional collaboration, high engagement, and talent development. Employee awareness and understanding of internal controls will be enhanced through comprehensive training and communication programmes. Additionally, we will implement key technology enhancements to improve control effectiveness and operational efficiency.

In conclusion, 2024 was a year of challenges, resilience and progress. We are upbeat about the future. I extend my deepest gratitude to our Shareholders, Leaders, and Team Members for your continued commitment and support. Together, we will continue to build a future where VMIL thrives, delivering long term value to its Shareholders, Clients, and the people of Jamaica, Barbados, and the wider Caribbean.

MICHAEL MCMORRIS
CHAIRMAN
VM INVESTMENTS LIMITED

GOVERNANCE

Board of Directors

> WITH A STRONG FOCUS ON GOVERNANCE AND OVERSIGHT, THE BOARD OF DIRECTORS BRING DEEP EXPERTISE IN STRATEGY, FINANCE, LEADERSHIP, RISK MANAGEMENT, AND STAKEHOLDER ENGAGEMENT—DRIVING SOUND DECISIONS AND CREATING LASTING VALUE.


Mr Michael McMorris, BA
Chairman


Mr Matthew Wright
MPhil, MA, BA


Mr Courtney Campbell
CD, Hon. LLD, MBA (Dist), ACIB, BSc, JP
VM Group President & CEO


Mr Rezworth Burchenson
MBA, BSc (Hons)


Ms Bridget Lewis, LLM
(Dist), BSc (Hons)

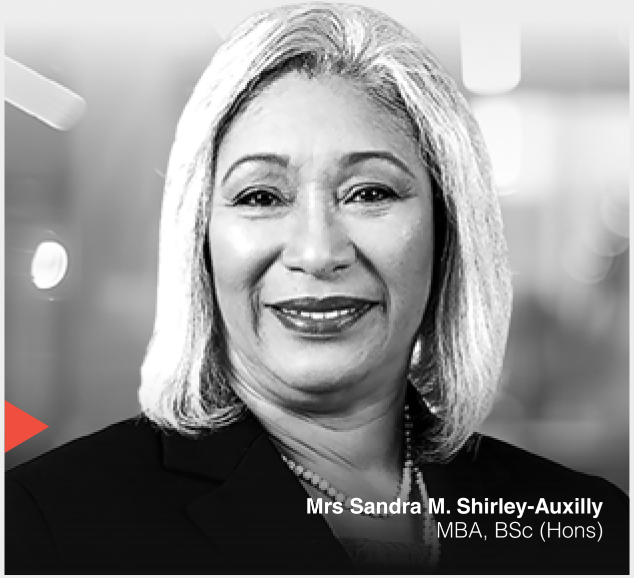

Mr Devon Barrett
MBA


Mrs Janice McKenley
FCCA, FCA, MBA(Dist)
BSc (Hons.)


Mr Noel Hann
JP, EJD, FAIA, MCMI


Mr Vikram Dhiman
MBA, BSc


Mr Phillip G. Silvera
FCCA, FCA


Mrs Sandra M. Shirley-Auxilly
MBA, BSc (Hons)


Mr Milton J. Samuda
Esq

Mr Michael McMorris, BA
Chairman

Mr Michael McMorris has served as VM Group Chair since 2011 and VM Investments Limited Chairman since 2017. He is Principal of the business management firm KRONOS Limited and works with local and international investors in the areas of new venture development and strategic management. Mr McMorris also served with distinction as President of the Jamaica Chamber of Commerce for the term 2022/2023.

Mr McMorris has had a successful career in both the private and public sectors. He was previously an Executive Director of Jamaica Promotion Corporation (JAMPRO) and prior to that, held the post of CEO with Trafalgar Commercial Bank (now First Global) and Knutsford Capital Merchant Bank, which he helped found. He is a past president of the Jamaica Merchant Bankers Association.

Mr McMorris holds a Bachelor's Degree in Economics and Politics & Public Affairs from the University of Miami as well as advanced finance training from Citibank's School of Banking where he started his career. He was a member of the National Academic Honour society Pi Sigma Alpha during his time at the University of Miami and a Deal of the Year winner at Citibank.

Currently, he also serves as Chairman of VM Wealth Management Limited and is a director of several other commercial enterprises.

A strong believer in national service, he has been a member of the Government's Technical Task force on Tourism (Covid) Recovery, Chairman of the Tourism Working Group on Entertainment, Chairman of the Enterprise Group for the Divestment for NMI Airport Operations, Chair of the Finance Committee of the Airport Authority of Jamaica and a Director of the National Exim Bank of Jamaica.

Mr Matthew Wright, MPhil, MA, BA

Mr Matthew Wright is the Managing Director of York Investment Management S.A., an independent financial advisory firm providing global asset management solutions to the high net worth, family office and institutional client market.

He has over 25 years' experience in investment management, corporate finance, credit risk management, and real estate investment. He is a former Vice-President in the Infrastructure and Energy Finance Group of Citibank Global Capital Markets in New York, with responsibility for providing financial advisory and debt arrangement services to major infrastructure projects in North America, Latin America, and the Caribbean.

Mr Wright has also served as Assistant Vice-President for Capital Markets in the Emerging Market Corporate Bank for Citibank Jamaica.

As a former Cambridge Commonwealth Scholar, he holds a Master of Philosophy in Environment and Development from Cambridge University in the United Kingdom, a Master of Arts Degree in International Development Policy from Stanford University, California, and a Bachelor of Arts Degree in Economics from Williams College, Massachusetts.

Mr Courtney Campbell, CD, Hon. LLD, MBA (Dist), ACIB, BSc, JP
VM Group President & CEO

Mr Courtney Campbell is President and Chief Executive Officer of VM Group Limited and VM Financial Group Limited, whose operations extend from Jamaica to other Caribbean territories and major financial districts in North America and Europe.

Mr Campbell joined VM in April 2016 and immediately went about igniting a transformation of the organisation, including its digital strategy, product and service offerings, brand identity and business structure, resulting in unprecedented growth and expansion. He has leveraged the organisation's cultural beliefs and core values to kindle the VM Team's passion for uplifting Jamaicans.

Mr Campbell is a passionate advocate for greater inclusion and financial well-being, which is the founding purpose of VM.

Before joining VM Group, Mr Campbell had already established an enviable record of success in several senior executive roles including that of CEO of GraceKennedy Financial Group. He also spent over 23 years with the National Commercial Bank, serving in various leadership positions, including Head of the Retail Banking Division and other roles instrumental to the bank's success.

He holds a BSc in Management Studies from The University of the West Indies, and an MBA in Finance (Distinction) jointly awarded by the University of Wales & Manchester Business School. He is also a member of the Chartered Institute of Bankers, London.

Mr Campbell is a director of VM Group Limited as well as VM Financial Group Limited and all its subsidiaries, as well as associate company British Caribbean Insurance Company.

He is a Corporate Champion for the UWI STAT, Mona Campus and serves on the Governor-General Jamaica Trust and the Investment Committee of the Council of World Missions. He is a former Chairman of the National Education Trust (NET).

In September 2023, Mr Campbell received the Outstanding Business Leader Award, from the Mona School of Business & Management (MSBM) for his "relentless contributions to nation building". In the same month, he received the Governor General's Medal of Honour for his excellent support of the office of the Governor General's service to the people of Jamaica. In March 2024, Mr Campbell was named as recipient of the prestigious American Friends of Jamaica (AFJ) International Achievement Award for his accomplishments in business and his service to humanity.

Board of Directors

CONTINUED

He was, in August 2024, conferred with the Order of Distinction in the Rank of Commander (CD) for sterling service to the field of Financial Operations. In October 2024, Courtney was conferred with the Honorary Doctor of Laws (LLD) degree from the University of the West Indies, Mona for his work as an entrepreneur and philanthropist.

He is married to Pauline and they have two sons.

Mr Rezworth Burchenson, MBA, BSc (Hons)

Mr Rezworth Burchenson is a Senior Vice President and member of the Executive Leadership Team of the VM Group, and CEO of VMIL and its subsidiary, VMWM.

Mr Burchenson was appointed CEO of VMIL and VMWM in January 2019 after a successful tenure as Deputy CEO of both businesses and CEO of VM Pensions Management Limited.

He is a results-focused, purpose-driven leader with an impressive record of success in the financial services industry. Before joining the VM Group, Mr Burchenson provided transformative leadership in senior roles including CEO of Prime Asset Management Ltd and Vice President and General Manager of Pan Caribbean Asset Management Ltd, with principal responsibility for managing Jamaica's largest unit trust (Sigma Unit Trust).

Mr Burchenson is well regarded by his industry peers, his team members and clients, and has received accolades for his contribution to the local financial landscape. In 2012, he was named among the PSOJ's exclusive '50 Under Fifty' in the field of investments and finance.

His contribution to the sector also serving on the PSOJ's Economic Policy Committee and as a member of the JSE Best Practice Committee. He has also served as a Director of:

- National Road Operating and Constructing Company (NROCC),
- National Education Trust Ltd (NET),
- Human Resource Management Association of Jamaica, and
- Pension Funds Association of Jamaica (PFAJ).

A Barclays Bank Scholar while at the University of the West Indies, he earned a Bachelor's Degree in Economics (Hons) and an MBA in Banking and Finance (Hons). He also received leadership training at:

- The Wharton School, Aresty Institute of Executive Education
- Advanced Management Programme (AMP 194) at Harvard Business School
- Palladium's Kaplan-Norton Strategy Execution Boot Camp

Mr Burchenson believes strongly in purposeful work and is driven to improve financial inclusion and wellbeing among Jamaicans at home and abroad.

Ms Bridget Lewis, LLM (Dist), BSc (Hons)

Ms Bridget Lewis is a Senior Financial Services professional and Change Management Consultant, with over 30 years of extensive cross functional, multi-jurisdictional financial industry and business experience. She joined the Board of Directors of VMIL on December 1, 2021.

She has held several leadership positions with Citi and Scotiabank in Jamaica and Canada, culminating in 2016, as Director, Scotiabank Global Wealth Management Credit Policy and Process, supporting the businesses in the Caribbean, Central and South America. Her blend of expertise includes the development of Wealth Management strategies for high net worth individuals and their private companies, new business development, and business process mapping to improve operational efficiency,

In August 2016, she entered the world of Consulting, determined to use her experience and qualifications to work with Governments, private sector organisations, SMEs and entrepreneurs, and is a licensed PROSCI Change Management Practitioner.

She has worked in competitiveness development in the private sector via the JEA's Competitiveness Company, to build the capacity of Business Support Organisations in facilitating the growth of local business clusters in countries across the Caribbean. Since July 2019, she has worked with various Ministries, Departments and Agencies of the Government of Barbados, focusing on designing, developing and implementing change management strategies and plans for the Government's Public Sector Modernisation Programme and the merger of the four social service departments and agencies.

In January 2018, she co-founded SheLeadsIT, a social enterprise operating in Switzerland, Canada and Jamaica with initiatives across the Caribbean, Africa and Europe. SheLeadsIT focuses on creating opportunities for women and girls to be economically and socially empowered; and to achieve greater gender parity to bring about transformational change in their lives and communities. SheLeadsIT was selected as a 2020-2021 recipient of the Canada Fund for Local Initiatives, supporting their work with girls in technology.

In 2019, she co-founded Caribbean Girls Hack, which engages Caribbean girls and young women in a year-long programme of online skills training workshops, with internships, to create opportunities for them to evolve from being consumers of technology to creators of technology culminating in a Caribbean-wide Hackathon. She is a TEDx speaker, where she used that platform to shine the spotlight on the importance of girls and women to embrace al the opportunities that technology affords. She is a proud graduate of the University of the West Indies with a Bachelor of Science with honours, in Economics and Management. She earned a Master of Laws degree in Technology and Intellectual Property Law, with distinction, from the University of Liverpool, and is the recipient of the Law Programs, Dissertation of the Year Award for her thesis entitled 'Intellectual Property Rights & Developing Nations, Blessing or Curse?'

Mr Devon Barrett, MBA

A strategic and visionary leader, Mr Devon Barrett joined the VM Group in March 2008.

On September 1, 2016 he assumed the role of Group Chief Investment Officer with responsibility for diversifying the Group's investment portfolio. He also served with distinction at the helm of VM Wealth Management (VMWM) where his primary areas of focus included conceptualising and implementing the strategic direction of the Company, managing the Company's balance sheet, ensuring compliance with all regulatory requirements and managing the growth in profit and shareholders' value.

In January 2019, in keeping with the VM Group's strategic business plan, Mr Barrett began focusing solely on his Group Chief Investment Officer role. He was also named head of the newly formed Strategic Investments Unit.

Mr Barrett holds an MBA which he acquired at Nova Southeastern University, Florida and a BSc in Management Studies from the University of the West Indies. A strong negotiator and effective communicator, he inspires his team to achieve greater levels of performance, thereby positively impacting on individual growth and development and ultimately, overall Company results.

Mrs Janice McKenley
FCCA, FCA, MBA(Dist) BSc (Hons.)

Mrs Janice McKenley joined the VM Group in July 2007. In the past year, as Group Chief Financial Officer, she was responsible for the Group's Programme Management Office, Procurement and Finance strategies and teams.

Her over 30 years of extensive experience includes formulating and delivering on corporate direction and strategic goals; financial reporting; transforming business processes; talent management; improving financial reporting timeframes; budget preparation and regulatory reporting as well as coordination of external audits and risk management.

Mrs McKenley's business experience also includes Digitalised Information Systems Risk Management, a specialty honed and developed at PriceWaterhouseCoopers, Jamaica and assignments throughout the Caribbean.

A Chartered Accountant by profession, she holds an Executive MBA (Distinction) in Finance and a BSc. (Upper Class Honours) in Computer Science from the University of the West Indies. She is a Fellow of The Chartered Association of Certified Accountants (UK) and The Institute of Chartered Accountants of Jamaica, of which she is a past council member, and member of the Accounting Standards Committee.

Her favourite pastimes include nurturing her orchids in her garden, aerobics in the pool and spending time with her family.

Mr Noel Hann, EJD, FAIA, MCMI

Mr Noel Hann joined the VM family in 1976 and served the Building Society for over 30 years. As Senior Vice President Finance and Chief Financial Officer, he had responsibility for Accounting, Finance, Investment, Pension Fund Administration, Foreign Currency Trading and Information Technology. He retired in 2010 as Senior Vice President, Group Risk and Compliance. He also has extensive professional experience in manufacturing, construction and hotel operations.

Mr Hann is a fellow of The Association of International Accountants (UK) and a member of the Chartered Management Institute (UK). In July 2007, he completed an Executive Juris Doctor (EJD) Law Degree at Concord Law School, California. He has completed several management development programmes, including Financial Management, at the Graduate School of Savings & Loans, Northwestern University.

A past Council Member of the Building Societies Association of Jamaica, Mr Hann also serves on the Boards of several companies. He is the Chairman of the McGrath High School and the founder and senior pastor of The New Life Tabernacle Church in Bog Walk, St. Catherine. A Justice of the Peace, he serves as a Lay Magistrate and is very involved in the communities of Bog Walk and Linstead, being on the Community Consultative Committees, as well as the Linstead Hospital Redevelopment Committee. Over the years, Mr Hann has spearheaded numerous programmes geared towards the advancement of young people.

Mr Vikram Dhiman, MBA, BSc

Mr Vikram Dhiman is the Chief Operating Officer of ICD Group Holdings Limited, a Jamaican-based Investment holding company with regional and global interests in Real Estate, Construction, Property Management, General Insurance, Business Process Outsourcing and E-Commerce businesses.

He began his career with KPMG in Jamaica and also worked with them in India and the Netherlands. He has worked with the United Nations Compensation Commission, in Geneva, as a valuation specialist for determination of the claims arising from the 1990 Gulf War. After his MBA at INSEAD, he worked at Marakon Associates, a strategy and management consulting firm, at their London Office, advising several FTSE100 firms. He joined the ICD Group in 2004 and has been instrumental in shaping and growing the businesses of the Group and has been responsible for creating and managing growth and change with all the companies and businesses that he works with.

Mr Dhiman is a naturalised Jamaican and has chosen Jamaica as his home. He serves on several private and public sector boards as part of his employment and as a volunteer. He is the Chairman of British Caribbean Insurance Co. Limited (Jamaica's largest insurance company), and WIHCON Properties Limited, and a past Deputy Chairman of the Special Economic Zone Authority's board. He is a director of Advantage Communications Inc. (Canada), ADV Communications

Board of Directors

CONTINUED

Jamaica Limited, Social Media Group LLC (Puerto Rico), West Indies Home Contractors, ICD Group Holdings Limited, the University Hospital of the West Indies (Private Wing), Victoria Mutual Investments Limited, Lumber Depot Limited and M.A.G. Medical Supplies Limited. Since 2016, he has been the Honorary Treasurer of the Private Sector Organisation of Jamaica, the umbrella private sector organisation in Jamaica.

He has served as the Treasurer of the Jamaica Golf Association since 2007 and was the Chair of its Junior Golf Committee from 2007-2017. He has raised over US$500,000 for the development and growth of Junior Golf in Jamaica and mentors several executives and CEOs.

Mr Dhiman holds a First Class Bachelor's degree in Mathematics from Christ Church College, Kanpur India; is a Fellow Member (not in practice) of the Institute of Chartered Accountants of Jamaica; a past practicing member of the Institute of Chartered Accountants of India; has passed the American Institute of Certified Public Accountants examination; and also holds an MBA from INSEAD, Fontainebleau, France. He is married to Aditi and they have two sons, Karan and Aman both of whom have represented Jamaica in Taekwondo, Squash and Golf.

Mr Phillip G. Silvera, FCCA, FCA

Mr Phillip Silvera is a long-standing member of the VM Family and is a former Executive Vice-President of The VM Building Society, where he spent 32 years in various senior positions including Divisional President, Financial Controller and Chief Accountant.

A Fellow of the Association of Chartered Certified Accountants (FCCA) UK and the Institute of Chartered Accountants (FCA) Jamaica, Mr Silvera has over four decades of experience in the financial industry. He was also a licensed Security Dealer and served as a registered Public Accountant for many years. He currently serves on the boards of VM Group, VM Financial Group, VM Investments and VM Wealth Management.

He chairs the Audit, Risk and Conduct Review Committees of the two latter companies. In 2021, he joined the Board of Kingston Properties Limited, a company listed on the Jamaica Stock Exchange. Mr Silvera is Chair of the Board of Directors of Topaz Christian Fellowship and a Past President of the Golden Acres Citizens Association.

He previously served on the boards of several other companies, including VMBS Money Transfer, Victoria Mutual Insurance Company, Jamaica Unit Trust and The Caribbean Graduate School of Theology. He is also a past Chairman of J.E.T.S. Limited, operators of MultiLink, Jamaica's largest payment system. He is married to Faye and they have three children. A former Head Boy of St Mary High School, Mr Silvera enjoys woodworking and farming at home.

Mrs Sandra M. Shirley-Auxilly
MBA, BSc (Hons)

Mrs Sandra Shirley-Auxilly, Business Facilitator/ Consultant, has extensive experience spanning over 30 years in wealth management, trust banking, strategic planning and implementation in the United States and the Caribbean.

A former licensed securities dealer and President of First Global Financial Services Limited, Shirley-Auxilly is a 2006 Fellow of the Jamaican Institute of Management and a member of the Private Sector Organisation of Jamaica. She is a former Director and Vice President of The Jamaica Chamber of Commerce and has served on various other private and public sector boards, including as Deputy Chairman, The Jamaica Stock Exchange (2008), Secretary, Security Dealers Association (2006-2008), Commissioner, Anti-Dumping & Subsidies Commission and Jamaica Deposit Insurance Company.

A former Senior Research/Teaching Fellow-Finance, Mona School of Business, University of the West Indies, Mona, Shirley-Auxilly has also served in various capacities on technical assistance and project teams funded by private sector and multilateral agencies. Her experience includes entrepreneurship and SME development. She believes in giving back through service and is a Past Federation Councilor and Past President of Soroptimist International (SI) Jamaica, and a former Vice President SI Caribbean Network of clubs.

Shirley-Auxilly attained a B.Sc. (Hons) Management Studies from The University of the West Indies, majoring in Financial Accounting & Finance and an MBA Finance and Banking from Pace University, New York, USA. She completed a postgraduate Diploma in Investment Appraisal and Risk Analysis from Queens University, Ontario, Canada. She is also an approved Pension Fund Trustee and a retired member of the Project Management Institute.

Mr Milton J. Samuda, Esq

Mr Milton J. Samuda is the Managing Partner of Samuda & Johnson and heads the firm's Commercial Department. His practice includes Tourism, Corporate and Hotel Financing; Trade and Transportation; Mining and Energy; Sports and Entertainment; and Maritime Law. He is a Past-Chairman of Jamaica Promotions Corporation (JAMPRO) and a Past-President of the Jamaica Chamber of Commerce (JCC).

Currently, he is a director of VM Wealth Management Limited, VM Investments Limited, VM Building Society, EveryData Jamaica Limited, Berger Paints Jamaica Limited, OMS Associates Limited and the Zed Jamaica Group. Mr Samuda is Chairman of the Institute of Law and Economics, the National Dance Theatre Company (NDTC) and the Wolmer's Trust.

Mr Samuda is also a member of the Advisory Board of the Spanish-Jamaican Foundation and serves as the Foundation's Secretary.

Mr Samuda holds a L.L.B. (Hons.) degree from the University of the West Indies and was admitted to practice in Jamaica in 1982 having completed studies at the Norman Manley Law School. In 1993 he was also admitted to practice in the British Virgin Islands. An Anglican, Mr Samuda is married to Elizabeth and has three children, Matthew, Marlon and Mariana.

Environmental, Social and Governance (ESG) Report

> “AT VMIL, STRONG CORPORATE GOVERNANCE IS NOT JUST A FRAMEWORK—IT’S OUR FOUNDATION.

ESG Report

Board of Directors' Role and Oversight Responsibilities

Our Board of Directors is fundamental to maintaining strong corporate governance, offering strategic leadership, and ensuring our long-term sustainability. Its diverse composition of experienced members provides informed oversight and sound judgment, driving accountability across the organisation. Our Board and its committees operate in accordance with formal charters, which are reviewed every two years. **The Board monitors its execution quarterly against its responsibilities outlined in these charters. The Board's key responsibilities include:**

- **Strategic Oversight** – Guiding the execution of strategic and business plans, monitoring performance against key business targets, and ensuring effective accountability and stewardship of VMIL.
- **Regulatory & Governance Monitoring** – Staying informed of regulatory changes and emerging best practices in corporate governance to ensure VMIL remains compliant and at the forefront of industry standards.
- **Subsidiary Governance** – Overseeing subsidiaries to ensure they meet governance standards, maintaining consistency and alignment with VMIL's values.
- **Management Accountability** – Holding management accountable for day-to-day operations, ensuring decisions are supported by sound governance practices.
- **Financial & Compliance Oversight** – Monitoring financial performance, ensuring adherence to applicable laws and regulations, and reviewing internal controls to confirm alignment with the Board-approved risk appetite. The Board also adjusts strategies in response to changes in the operating environment.
- **Ethical Leadership & Corporate Culture** – Setting the tone for integrity and ethical decision-making throughout the organisation, promoting a values-driven corporate culture.
- **Risk Management & Performance Monitoring** – Assessing and mitigating risks while regularly evaluating financial and operational performance to ensure alignment with strategic objectives and shareholder expectations.

Directors' Commitment and Independence

Mr Michael Andrew McMorris, Chairman, serves as a Non-Executive Director, maintaining independence in accordance with leading corporate governance practices. In alignment with these principles, there is a clear separation between the roles of Board Chairman and CEO.

Director independence is a cornerstone of the Board's governance framework, with a majority of Independent Directors appointed at all times. **To be classified as independent, a Director must:**

i. Not be nor have been an employee of the VM Group within the last three years;

ii. Be free of any interest, position, association or relationship that might influence or reasonably be perceived to influence, in a material respect, his or her capacity to bring an independent judgment to bear on issues; and

iii. Be able to act in the best interest of VMIL and our shareholders, generally.

"THE BOARD SETS THE TONE FOR INTEGRITY, ACCOUNTABILITY, AND VALUES-DRIVEN DECISION-MAKING."

Board Composition

The Board leverages a diverse range of expertise and years of experience across various industries. As of December 31, 2024, the Board was composed of 10 Directors. Following the year-end, Director Janice McKenley retired on January 1, 2025, and Maria Robinson was appointed to the Board on February 12, 2025.

The 2024 Independent Board Members were:

Michael McMorris (Chairman)
Matthew Wright
Milton Samuda
Noel Hann
Phillip Silvera
Sandra Shirley-Auxilly
Vikram Dhiman
Bridget Lewis (resigned August 1, 2024)

We have made significant strides in advancing gender equity at the Board level. The Corporate Governance, Nominations, and Compensation Committee continues to prioritise succession planning, actively identifying candidates with the expertise needed to meet the Board's evolving requirements. Additionally, we are working towards achieving the goal of 30% female representation on the Board, in line with industry-leading practices such as those of the S&P 500.

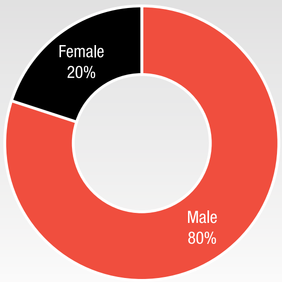
Gender Diversity in Leadership

In 2024, we intensified our focus on fostering diversity within our leadership team and at the governance level, recognising that a broad range of perspectives—shaped by different backgrounds, experiences, and areas of expertise—enhances decision-making and drives stronger outcomes for VMIL.

As of December 31, 2024:

- The Chief Legal, Compliance & Risk Officer is a woman.
- The Chief Financial Officer is a woman.
- Two members of the VMIL Board are women, a decrease from three, due to a resignation.
- Women represent 60% of our Senior Management.

Board Composition



"WE BELIEVE DIVERSE PERSPECTIVES DRIVE BETTER OUTCOMES—60% OF OUR SENIOR MANAGEMENT TEAM ARE WOMEN."

Board Member Expertise

The skills and expertise of the Board of Directors are in line with the benchmarks for Board effectiveness and robust governance practices. This collective expertise forms a solid basis for strategically executing business plans and achieving business objectives, contributing to our fortification and resilience. Their expertise, utilised in overseeing various aspects, encompasses:

ESG Report

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	Michael McMorris	Milton Samuda	Noel Hann	Phillip Silvera	Sandra Shirley-Auxilly	Matthew Wright	Courtney Campbell	Rezworth Burchenson	Bridget Lewis RESIGNED AUGUST 1, 2024	Devon Barrett RESIGNED MARCH 31, 2024	Janice McKenley	Vikram Dhiman
	BA	Esq	EFD, FAIA, MCMI	FCCA, FCA	MBA, PMP	MPhil, MA, BA	MBA, ACIB, JP	MBA	MSc, LLB	MBA	MBA, FCCA, FCA	MBA
Auditing / Accounting			■	■	■						■	■
Marketing			■	■	■	■	■					
Strategy Development & Execution			■	■	■		■	■	■		■	■
Mergers & Acquisition		■					■			■	■	■
Entrepreneurship					■						■	■
Regulatory / Legal	■	■	■		■							
Finance / Economics	■	■	■	■	■	■	■	■	■	■	■	■
Enterprise Risk Management (ERM)			■	■	■	■			■		■	

	Michael McMorris	Milton Samuda	Noel Hann	Phillip Silvera	Sandra Shirley-Auxilly	Matthew Wright	Courtney Campbell	Rezworth Burchenson	Bridget Lewis RESIGNED AUGUST 1, 2024	Devon Barrett RESIGNED MARCH 31, 2024	Janice McKenley	Vikram Dhiman
	BA	Esq	EFD, FAIA, MCMI	FCCA, FCA	MBA, PMP	MPhil, MA, BA	MBA, ACIB, JP	MBA	MSc, LLB	MBA	MBA, FCCA, FCA	MBA
Global Operations (International Markets)					■	■	■		■			■
Information and Communications Technology (ICT) / Digital / Data Privacy & Protection									■		■	■
Innovation	■						■	■	■	■		
Talent Management					■				■			
Real Estate	■		■	■			■	■		■		
Environmental, Social & Governance		■					■	■	■			
Diversity, Equity & Inclusion (DEI)					■				■			

ESG Report

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Succession Planning at the Governance Level

Succession planning at the governance level ensures a seamless transition of leadership, maintaining stability and continuity in our strategic direction. At the Board level, we prioritise identifying future directors to ensure a seamless transition and maintaining stability and continuity in our strategic direction. This proactive approach allows us to cultivate a robust directorship pipeline, ready to guide us forward and uphold our commitment to excellence and responsible wealth management. In 2024, we constituted the Board of VM Wealth Funds from our pool of potential Directors, appointing Brian Frazer as Chairman, supported by a cross-section of independent and internal directors. We also reviewed and refreshed our pool of potential directors and, in February 2025, filled a vacancy on our Board.

Board Training and Development

Ongoing training and development are essential to maintaining an effective and forward-thinking Board. At VMIL, we recognise that continuous learning enhances decision-making, strengthens governance, and ensures our Directors remain well-equipped to navigate the evolving business and regulatory landscape.
In 2024, we took a more proactive approach to Board training, providing Directors with diverse opportunities to expand their expertise and stay current in their respective fields. This included a combination of webinars, seminars, curated readings, and online training, enabling Directors to engage with emerging trends, best practices, and regulatory updates in a flexible and impactful way.

Director training covered the following high-level topics:

- Corporate Governance
- Digital Transformation
- Artificial Intelligence
- Corporate Strategy
- Cybersecurity
- Talent Management
- Diversity, Equity, and Inclusion
- Sustainability

One hundred percent of Directors benefited from one or more training and knowledge building opportunities covering a range of topics including:Optimising AI for the Business Environment, Cybersecurity, Data Privacy, Talent Management, Digital Transformation, among others.

Directors' Compensation

The Corporate Governance, Nominations, and Compensation Committee is responsible for reviewing our compensation philosophy and approving any necessary changes to the compensation structure. VMIL ensures fair and responsible compensation for our Directors. Our philosophy is rooted in recognising the significant value Directors bring to the organisation, and as such, their compensation is aligned with the expertise and collective contributions they provide.

BOARD REMUNERATION FEE RATES

POSITION	ANNUAL RETAINER	PER MEETING FEE
Chairman	$1,610,000.00	$41,666.25
Director	$644,000.00	$41,666.25
Audit Committee Chair	$560,000.00	$41,666.25
Other Committee Chair	$280,000.00	$41,666.25

For the financial year, a total of $25,251,000 was paid to directors of VMIL, a decrease of 7.5% compared to last year's figure of $27,312,000. The decrease in fees resulted from fewer meetings as directors are paid a retainer and a per-meeting fee per the above schedule.

Additional Remuneration Options

VMIL does not offer share options, performance-related pay, or profit-sharing schemes as part of our Directors' compensation package, nor is there an option scheme with incentives for Senior Management. However, we reimburse travel expenses incurred by Directors when attending Board meetings in person or participating in company-related events. This reimbursement ensures that Directors are supported in fulfilling their governance responsibilities without incurring personal expenses.

Regulatory Compliance

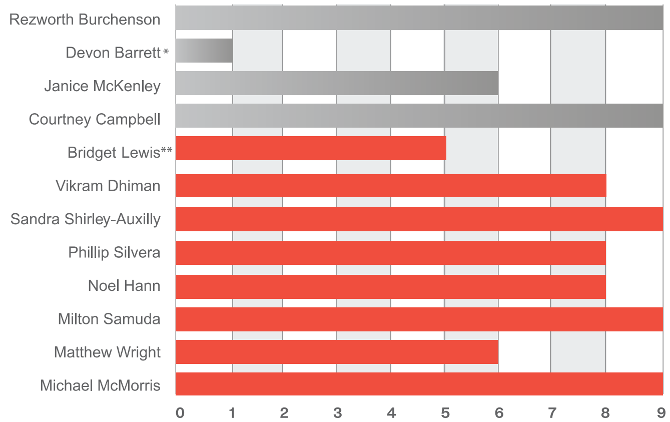
The implementation of the ERM Framework serves as a crucial mechanism for ensuring regulatory compliance by monitoring Key Risk Indicators and effectively tracking and overseeing all risks. The Board of Directors holds oversight responsibilities for the ERM Framework, supported by the Group Chief Legal, Compliance and Risk Officer. This includes adherence to regulatory requirements, maintaining regular and transparent communication with regulators, responding promptly to regulatory requests, reviewing, and evaluating proposed regulatory changes to assess their impact on us, and making appropriate recommendations.

Board Meetings & Attendance

Directors are expected to attend all meetings of the Board and committees they serve on and to review all reports and information prior to meetings, to facilitate a full and robust discussion on agenda items. During 2024, the Board held nine meetings. This included the attendance of Executive Management in keeping with accountability standards.

INDEPENDENT DIRECTORS	NO. OF MEETINGS ATTENDED (9 in Total)
Michael McMorris	9
Matthew Wright	8
Milton Samuda	9
Noel Hann	9
Phillip Silvera	8
Sandra Shirley-Auxilly	9
Vikram Dhiman	8
Bridget Lewis (Resigned August 1, 2024)	5
EXECUTIVE DIRECTORS	
Courtney Campbell	9
Janice McKenley	6
Rezworth Burchenson	9
Devon Barrett (Resigned March 31, 2024)	1

Directors Meeting Attendance Record



*Resigned effective March 31, 2024 | **Resigned effective August 1, 2024

Board Evaluation and Performance Improvement

Board Evaluation is conducted by an independent consultant, who provides the assessment framework and presents the findings to the Directors. The Performance Management Framework, which is in place, is also used to identify gaps and guide performance improvement.

Between May and June 2024, the Board conducted a self-evaluation to assess performance and ongoing effectiveness. The evaluation was facilitated by Trevor Little, Executive Chairman of the Centre for Leadership Development Jamaica Limited, using a structured survey that combined targeted and

ESG Report

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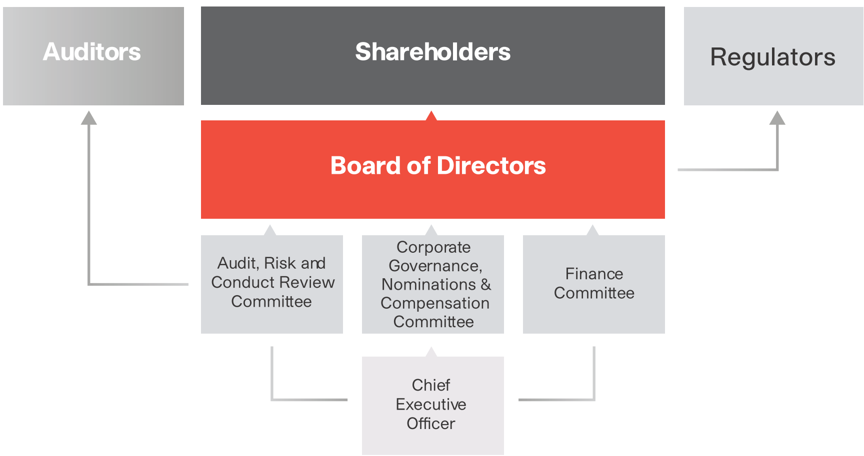
open-ended questions. Directors were given the opportunity to provide specific observations and recommendations. The results were reviewed at both the Corporate Governance, Nominations, and Compensation Committee and the Board level, leading to the adoption of key recommendations. Committed to continuous improvement, the Board remains focused on enhancing efficiency and optimising Board and Committee reporting, ensuring that information is relevant, concise, and supports management accountability for business performance.

Board Reporting Structure:



The Board has appointed three (3) committees to ensure effective oversight and governance.

The Committees are:

1. **Audit, Risk and Conduct Review Committee**
2. **Corporate Governance & Nominations & Compensation Committee**
3. **Finance Committee**

Board Committees consist of Independent Directors, ensuring transparency in decision-making and providing support to the Board based on directors' specialised expertise and skills. Each Committee operates according to its charter, which outlines its Board-approved role, responsibilities, and objectives. The Board and its Committees have unrestricted access to VMIL's management, enabling timely access to information for addressing issues requiring Board deliberation.

Audit Risk & Conduct Review Committee

This Committee aids the VMIL Board, guided by the Audit Risk & Conduct Review Committee Charter, by thoroughly examining Management Accounts and Audited Financial Statements to ensure accurate financial reporting and effective financial supervision. The Committee also convenes with External Auditors to assess the effectiveness of internal controls and our overall management. The Internal Auditor and External Auditor report directly to the Committee, maintaining independence from business lines, supporting the Committee in reviewing and enhancing internal controls, and ensuring compliance with relevant laws and regulations.

The ERM Framework is a critical tool for managing risks and potential exposure that could adversely affect the business. The Committee plays a crucial role in ensuring that the ERM Framework adequately supports VMIL, and that suitable policies and procedures are implemented to achieve long-term sustainability and resilience.

Furthermore, this Committee contributes to safeguarding shareholders' interests by ensuring appropriate information disclosure and promoting sound financial practices and reporting. In 2024, the Committee upheld high standards of accountability and independence in the following key areas:

- **Financial Reporting Integrity** – Ensuring the accuracy and reliability of financial disclosures.
- **Internal Controls & Audit Oversight** – Assessing the effectiveness of internal controls and reviewing reports from Internal Audit and the External Auditors.
- **External Auditor Performance** – Evaluating the effectiveness and independence of the External Auditors.
- **Audit Process Assurance** – Providing oversight and attestation on significant audit-related matters.
- **Related Party Transactions** – Ensuring compliance with policies governing related party transactions.

- **Transparency & Disclosure** – Promoting clear and comprehensive financial and regulatory reporting.
- **Enterprise Risk Management** – Monitoring the ERM Framework to identify and mitigate key risks.
- **Risk Governance & Appetite** – Overseeing the organisation's risk tolerance and governance practices.
- **Compliance with Risk Management Policies** – Ensuring adherence to established risk management frameworks and protocols.

The Audit, Risk and Conduct Review Committee provides reports on each Committee Meeting to the Board of Directors to keep the Board fully informed of the reviews, decisions and directives issued to Management.

AUDIT, RISK & CONDUCT REVIEW COMMITTEE/ NUMBER OF MEETINGS – EIGHT (8)

Phillip Silvera (Chairman)	Non-Executive	7/8
Noel Hann	Non-Executive	8/8
Sandra Shirley-Auxilly	Non-Executive	7/8
Vikram Dhiman	Non-Executive	7/8

Corporate Governance, Nominations and Compensation Committee

This Committee, guided by the Corporate Governance, Nominations and Compensation Committee Charter, is responsible for ensuring high levels of accountability to shareholders and stakeholders, implementing robust succession plans at both the Board and Senior Management levels and overseeing the ESG Framework and Corporate Social Responsibility initiatives.

Key areas of oversight include:

- **Board Evaluation & Governance** – Overseeing Board evaluations, engaging an independent consultant, and reviewing reports.
- **Board Composition & Director Appointments** – Assessing Board composition and identifying new Directors with diverse skills and experience.
- **Director Development & Succession Planning** – Managing Director training, succession planning, and performance evaluations.
- **Director Compensation** – Reviewing and approving Director compensation.
- **ESG & Corporate Social Responsibility** – Overseeing ESG matters and corporate social responsibility initiatives.
- **Subsidiary Governance** – Ensuring governance alignment across VMIL and its subsidiaries.
- **Talent Development & Retention** – Overseeing talent development, retention strategies, and succession planning.
- **Executive Appointments** – Managing the appointment of the CEO and Senior Management.
- **Human Resources Strategy** – Providing oversight of key HR strategies to support organisational growth and performance.

ESG Report

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In 2024, the Committee played a key role in strengthening VMIL's governance framework by approving and updating critical policies, including:

- Corporate Governance Policy
- Committee Charter

Additionally, the Committee:

- Reviewed the Board Evaluation, skills matrix for the Succession Planning Framework at both the Board and Management levels, and transparency and disclosure requirements.
- Provided oversight of Investor Relations and ESG monitoring and reporting.
- Engaged an external consultant for the Board evaluation process to drive continuous improvement in corporate governance.
- Continued to assess and implement measures to enhance Board effectiveness, including identifying training sessions to strengthen Directors' skills and expertise.

CORPORATE GOVERNANCE, NOMINATIONS and COMPENSATION COMMITTEE/ NUMBER OF MEETINGS – FIVE (5)

Milton Samuda (Chairman)	Non-Executive	5/5
Michael McMorris	Non-Executive	5/5
Sandra Shirley-Auxilly	Non-Executive	5/5

Finance Committee

The Finance Committee, under the authority of the Board and guided by the Finance Committee Charter, is responsible for overseeing our capital framework and ensuring that capital risk exposure is effectively managed. The Committee evaluates investment opportunities while aligning decisions with the Board-approved risk appetite. Additionally, it approves key financial policies to support our strategic direction and ensure long-term financial resilience.

In 2024 the Committee fulfilled its responsibilities in the following areas:

- Approved and managed the Capital Management Policy and supporting plan.
- Approved transactions related to capital activities to finance our strategic objectives.
- Approved major transactions and monitored credit risk exposure.
- Reviewed brokerage and arranger transactions as part of its oversight of our subsidiary.
- Evaluated and approved transactions aligned with VMIL's business growth targets.
- Approved policies for capital and liquidity management, ensuring effective monitoring and reporting of key performance indicators.

FINANCE COMMITTEE/ NUMBER OF MEETINGS – SEVEN (7)

Matthew Wright (Chairman)	Non-Executive	6/7
Phillip Silvera	Non-Executive	6/7
Noel Hann	Non-Executive	5/7
Michael McMorris	Non-Executive	4/7

Directors' Code of Business Ethics and Conduct

The Code of Business Ethics and Conduct plays a pivotal role within VMIL's Corporate Governance Framework, ensuring that all Board Members align with their fiduciary responsibilities by adhering to the highest ethical standards. This Code outlines guiding principles for managing and mitigating conflicts of interest, fair dealings, securities trading, the protection and appropriate use of corporate assets, and compliance standards with laws, rules, and regulations.

VMIL's governance model incorporates the Code of Business Ethics and Conduct as a fundamental element, encompassing essential guiding documents and processes. We have established core values and cultural beliefs that not only define operational practices but also serve as a compass for operating ethically at the highest standards.

Our Codes are structured to manage and mitigate:

- Conflicts of Interest
- Fair Dealings
- Securities Trading
- Improper handling of Sensitive Information
- Misappropriations
- Protection and Proper Use of Corporate Assets
- Compliance with Laws, Rules, and Regulations

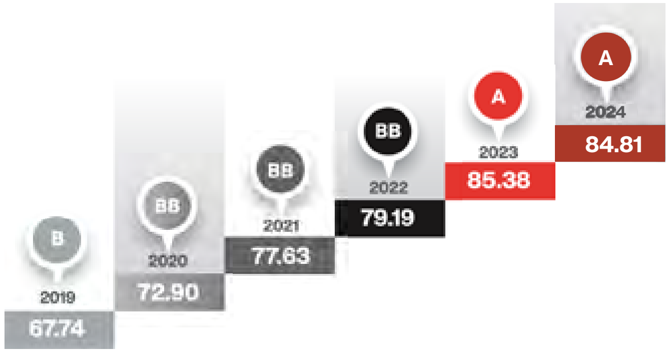
These Codes not only promote VMIL as a responsible corporate entity and a respectful business partner but also provide clear guidelines for directors, employees, and stakeholders across the Group to align with best practices.

Diversity, Equity & Inclusion at VMIL

VMIL fosters an inclusive environment that promotes diversity among Team Members, Clients, and Business Partners. Our commitment is to ensure that all stakeholders within the VMIL community feel respected, valued, and included. We continue to integrate this ethos by implementing several policies to provide structured operational guidelines.

We are unwavering in our advocacy for inclusion, actively pursuing our mission to empower Team Members, Clients, and Members towards financial well-being, irrespective of religion, age, race, gender, or socioeconomic background.

Corporate Governance Index



At VMIL, we understand the importance of adhering to best practices in corporate governance, ensuring that our standards reflect emerging and leading practices while surpassing legal and regulatory requirements. The JSE, through its independent body, the Corporate Governance Index Review Committee (CGIRC), evaluates how well companies adhere to various corporate governance principles. These criteria encompass:

1. Shareholders' Rights
2. Equitable Treatment
3. Role of Stakeholders
4. Disclosure & Transparency
5. Responsibilities of the Board
6. JSE Requirements

The Board consistently reviews and discusses these rating criteria, actively working towards continuous improvement.

Employee Share Option Scheme

VMIL does not currently have an employee share option scheme in place. While we recognise the potential benefits, we have not yet implemented such an option. However, we continually review and assess our employee compensation and incentive structures to ensure they support our strategic objectives and foster a productive and engaged workforce.

Our Policies, Frameworks & Guidelines

"VMIL IS COMMITTED TO STRONG GOVERNANCE, TRANSPARENT OPERATIONS, AND ETHICAL LEADERSHIP AT EVERY LEVEL."

Our Policies, Frameworks & Guidelines

AVAILABLE ON OUR WEBSITE

Policies Available on our website are:

- VMIL Corporate Governance Policy
- VMIL Stakeholder Engagement Policy
- VMWM Dividend Policy
- VM Group Code of Business Ethics and Conduct Policy
- VM Group Whistle Blower Policy
- VM Group DEI Policy
- VM Group Environmental, Social and Governance Policy
- VM Group Occupational Safety & Health Policy

The following Charters are available on our website:

- VMIL – Audit Risk & Conduct Review Committee Charter
- VMIL – Corporate Governance, Nominations and Compensation Committee Charter
- VMIL – Finance Committee Charter

Other documents available on our website are:

- VMIL Articles of Incorporation
- VM Investments Limited – Name Change

Corporate Governance Policy

VMIL adheres to the governance standards set by the VM Group, ensuring alignment with established policies and regulatory expectations.

Our Corporate Governance Policy outlines key principles designed to enhance the Board of Directors' ability to effectively oversee our strategic direction and operations, reinforcing accountability, transparency, and sustainable business practices.

Our Corporate Governance Policy is available on our website: https://vmil.myvmgroup.com/policy-resources/

Stakeholder Engagement Policy

Stakeholder communication has evolved into a continuous, year-round dialogue that benefits both companies and their stakeholders. Given that VMIL operates in a highly competitive market, maintaining consistent and effective engagement is essential to building trust and achieving business objectives.

A robust and dynamic Stakeholder Engagement Policy is therefore a fundamental part of VMIL's Communications Strategy. VMIL is committed to implementing proactive management strategies and structured processes to effectively identify and engage with our stakeholders. As companies increasingly recognise the value of stakeholder communication in articulating long-term strategies and fostering deeper relationships, boards of directors are playing a more active role in overseeing and strengthening engagement efforts.

Our Stakeholder Engagement Policy outlines our comprehensive approach to engaging with stakeholders, commitment to transparency, and the processes we have put in place to identify, prioritise, and manage these engagements. Together, we aim to build trust, drive innovation, and create shared value for all parties involved in our journey.

Our Stakeholder Engagement Policy is available on our website: https://vmil.myvmgroup.com/policy-resources/

Our Policies, Frameworks & Guidelines

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Dividend Policy

VMIL became a listed entity on the JSE in December 2017. At that time, 20 percent of the ordinary shares were made available to the public. The dividend policy is based on a philosophy that we should be adequately capitalised and retain sufficient funds to expand and strengthen the business going forward.

The purpose of this policy is to guide the frequency and value of dividend payments to ordinary shareholders.

An excerpt of our Dividend Policy is available on our website: https://vmil.myvmgroup.com/policy-resources/

Business Continuity Plan

The Business Continuity Plan (BCP) is a critical framework designed to minimise disruptions and ensure the rapid restoration of time-sensitive business processes at VMIL in the event of a disaster, operational failure, or other unexpected disruptions. The plan is not a substitute for existing emergency and security protocols but rather an integrated approach that enhances resilience and preparedness.

The BCP provides a structured response for different disruption scenarios, outlining:

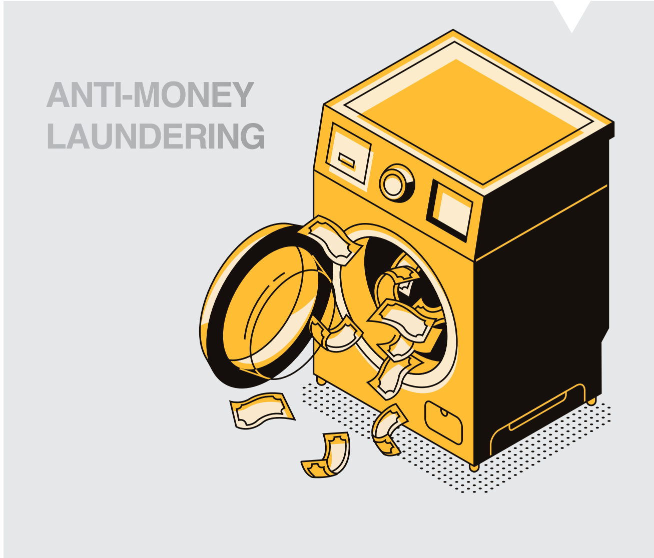
- Minimum resources required to sustain operations.
- Alternative work arrangements, including remote work strategies and backup facilities.
- Roles and responsibilities of key personnel to ensure swift decision-making.
- Communication protocols for internal teams, stakeholders, and regulators.
- Coordination with external vendors and service providers to maintain supply chain continuity.

The BCP reflects our commitment to operational resilience, regulatory compliance, and stakeholder protection, ensuring that even in times of crisis, we can continue to deliver uninterrupted service and maintain trust in our operations. Regular review and enhancement of this plan reinforces our ability to anticipate, respond to, and recover from business disruptions efficiently and effectively.

Anti-Money Laundering / Countering Financing of Terrorism / Countering Financing of Proliferation (AML, CFT, CFP) Policy

VMIL is committed to examining our anti-money laundering strategies, goals and objectives on an ongoing basis, and maintaining an effective AML/CFT/CFP Policy.

VMIL has established AML/CFT/CFP programmes which guide our policies, procedures and controls. These assist us with preventing and detecting terrorist financing, money laundering or other illegal activities in our business relationships with our clients.



The objectives of the Policy are:

i. To prevent, detect and report money laundering and terrorist financing activities in our operations.

ii. To engender best practices in the areas of AML and CFT.

iii. To embed "Know Your Customer" standards as a cornerstone principle.

iv. To ensure adequate systems are in place to identify and monitor the activities of politically-exposed-persons (PEPS) and other high-risk clients.

v. To provide Team Members and Directors with training, at least annually, in anti-money laundering and anti-terrorism matters to update knowledge and heighten awareness.

vi. To ensure annual independent audit of AML/ CFT policies and procedures.

vii. To ensure compliance with all applicable legislation, regulations and guidelines issued by the Competent Authorities.

Enterprise Risk Management Policy

ERM is defined as an organisation's competency to manage uncertainty, and more effectively minimise threats and maximise opportunity. The capacity to adapt to change makes VMIL more resilient and better able to evolve in the face of marketplace and resource constraints. We recognise these challenges and are committed to adapting through the integration of enterprise risk management practices. By strengthening governance, strategic decision-making, and operational processes, we aim to enhance performance by aligning business objectives with risk considerations. This approach ensures a clear pathway to creating, preserving, and maximising value.

The ERM Policy is an essential component in the development and maintenance of sound ERM practices. It defines the key roles and responsibilities of stakeholders to ensure that significant risks are adequately identified, managed, and monitored to create, preserve, and ultimately realise value.

"OUR POLICIES ARE MORE THAN DOCUMENTS—THEY'RE THE FOUNDATION OF TRUST, INTEGRITY, AND ACCOUNTABILITY."

Securities Trading Policy

This Policy is established in accordance with The Securities Act, The Jamaica Stock Exchange Rules, industry best practices, and other applicable regulatory directives. It outlines the ethical standards governing personal securities transactions, ensuring that directors, officers, and employees uphold integrity and transparency in all investment-related activities. The Policy is designed to prevent insider trading, fraudulent activities, and manipulative practices, thereby safeguarding the credibility of VMIL, and our subsidiaries, and protecting client interests.

The policy defines:

- Insider Trading and Price-Sensitive Information – establishing clear guidelines on what constitutes material non-public information and its implications on trading behaviour.
- Trading Restrictions for Traders – specifying limitations and compliance requirements for our traders, ensuring adherence to legal and ethical standards.
- Designated Persons & Connected Parties – Imposing trade restrictions on specified individuals and their connected parties to mitigate conflicts of interest and prevent potential regulatory breaches.
- Consequences for Non-Compliance – Clearly outlining penalties and disciplinary actions for violations, reinforcing the importance of strict adherence to ethical and legal obligations.

Our Policies, Frameworks & Guidelines

CONTINUED

The Policy also contains trade restrictions for Designated Persons and their respective Connected Parties which are controlled and monitored by:

i. Specified 'Blackout Periods' and 'Trading Window' for the trading of VMIL shares and securities

ii. Request for approval and the confirmation of VMIL trading activities by Senior Management

iii. Quarterly disclosure of personal trading activities

iv. Annual certification of trades and securities holdings

v. Trade reviews and quarterly reporting to relevant Board Committees

The monitoring and enforcement of these trade restrictions are actively managed to ensure continuous compliance and risk mitigation within the Group.

Capital & Liquidity Management Policy

This policy establishes the guidelines for VMIL's Capital and Liquidity Management Programme and outlines the criteria for maintaining adequate capital and implementing effective strategies to prudently manage liquidity. By adhering to these standards, VMIL ensures financial stability and our ability to continue operating as a going concern.

This Policy addresses the core elements of capital management, including governance and reporting practices related to capital management, the establishment of an internal capital target consistent with our risk profile, the choice of capital raising strategies, and aspects relating to the quality and composition of capital.

CAPITAL MANAGEMENT COVERS GOVERNANCE, TARGETS, FUNDING, AND CAPITAL QUALITY.

Related Party Investment Policy

This Policy provides guidelines for investment transactions within the organisation and between our related parties. This is also in agreement with our commitment to adhere to the highest principles of good governance, integrity, accountability and transparency in our intra-Group and related party transactions. Adherence to this policy is fundamental in ensuring that all related party transactions and operations, regardless of geographic location, are fully compliant with all applicable legislation and limits.

The Code of Business Ethics and Conduct

The Code of Business Ethics and Conduct is a vital component in VMIL's governance model, which encompasses common steering documents and processes.

These codes allow VMIL to be a good corporate citizen and respectful business partner while providing guidelines of best practices for our directors, employees, and agents to follow.

Additional general guidelines include:

- Acceptable Behaviours
- Community Involvement and Social Responsibility
- Environmental Care and Awareness
- Supply Chain Management
- Business Integrity
- Receipt and Distribution of Gifts
- Civic Duties
- Harassment
- Political Activities
- Whistle Blowing

The Code of Business Ethics and Conduct is available on our website: https://vmil.myvmgroup.com/policy-resources/

Remote Work & Flexi Work Arrangements Guidelines

The Remote and Flexible Work Arrangement Programme was introduced in 2018 as part of our **Great Place to Work Initiative** and **Employer of Choice Strategic Objective**. Remote work is a working style that allows Team Members to work outside of the traditional office environment. It is based on the concept that work does not need to be done in a specific place to be executed successfully.

The Remote Work and Flexible Work Arrangement Programme allows Team Members to be scheduled to work remotely or to adjust start and finish times while delivering defined objectives that are measurable and delivered at an agreed time. Team Members may proceed to work remotely if the business requires it or if the request is made by a Team Member for personal reasons.

Electronic Communication Policy

This policy establishes guidelines for the appropriate use of electronic communication (email) within the corporate governance framework. It defines the principles, rules, and procedures that apply to all authorised users, ensuring security, compliance, and responsible usage of email communication.

Key provisions of the policy include:

- Ownership of Email Accounts – Clarifies that all corporate email accounts are the property of the organisation and must be used in accordance with company policies.
- Allowable and Restricted Usage – Defines permitted uses for business-related communication and prohibits unauthorised or inappropriate email activity.
- Handling of Sensitive Information – Establishes guidelines for protecting confidential and sensitive data in email communications.
- Data Encryption & Security – Mandates the use of encryption and security protocols to safeguard information from unauthorised access or breaches.
- Enforcement & Compliance – Outlines monitoring procedures, consequences for misuse, and enforcement actions for non-compliance.

This policy ensures that electronic communication remains secure, professional, and aligned with corporate governance standards, supporting our operational integrity and regulatory obligations.

Information Security Policy

The objective for developing and implementing the Information Security Policy was to provide direction in accordance with business requirements and applicable laws and regulations. **The overall objective is to ensure:**

- Adequate protection for all information systems and corporate data, whether held centrally or remotely, online and on external storage media.
- Continued availability of data and programmes to all authorised members of staff in accordance with established Service Level Agreements, best practices, and imposed Compliance Standards.

Our Policies, Frameworks & Guidelines

CONTINUED

- Integrity and privacy of all data and information systems as intended for business use.

Benefits:

- Enhances awareness of users, by defining the administrative/management controls for all employees and affiliates.
- Promotes understanding and clarification for all user responsibilities and duties with respect to protecting the confidentiality, integrity and availability of assets and information resources.
- Enables the decision-making process for management and other employees with respect to information security.
- Provides guidance for the execution of information system security audits and risk assessments.

Whistle Blower Policy

This Policy is designed to safeguard the integrity of VMIL and to support adherence to the Code of Business Ethics and Conduct. It is aimed at providing an added level of anonymity or confidentiality, as an option, to raise legitimate issues or concerns in order to protect Team Members and the organisation. Team Members are encouraged to report any perceived violation of company policies, laws, rules, or regulations, without any fear or retaliation.

We have elected to use an independent external service provider as our investigator for the purposes of ensuring separation of responsibilities and are committed to maintaining confidentiality to the fullest extent possible and ensuring that those who do report, can do so safely, securely and with confidence that they will be protected and supported by the VM Group and that their report will be subjected to appropriate investigation and conclusion through an efficient process.

An excerpt of our Whistle Blower Policy is available on our website: https://vmil.myvmgroup.com/policy-resources/

Diversity, Equity & Inclusion Policy

VMIL continues to be a champion of inclusion and purposefully executes our mission to uplift our Team Members, Members, and Clients to achieve financial wellbeing irrespective of religion, age, race, gender, or socioeconomic background.

This Policy furthers our longstanding commitment to nurturing a diverse and inclusive workforce which leverages the unique backgrounds and characteristics of all Team Members to contribute to our success.

The aim of this policy is to support an inclusive workplace that harnesses the power of diversity for sustainable competitive advantage, economic growth, and societal progress; where Team Members from different backgrounds may function without any barriers and are provided with opportunities to participate, develop and contribute freely and equitably in attaining our Key Results. To that end, this policy promotes:

- An organisational culture of diversity, equity, and inclusion of all stakeholders; one that is respectful of the individuality of Team Members and supportive of different ways of thinking.
- A workplace with zero tolerance for discrimination, harassment, and intimidation; a safe and trusting work environment which holds Team Members accountable for their actions.
- A workplace and workforce that embody the basic tenets of respect, integrity, equality, creativity, inclusivity, flexibility, and resilience.

An excerpt of our DEI Policy is available on our website:
https://vmil.myvmgroup.com/policy-resources/

"WE DON'T JUST MEET REGULATORY STANDARDS—WE'RE BUILDING A CULTURE OF EXCELLENCE ACROSS EVERY POLICY TOUCHPOINT."

Environmental, Social and Governance (ESG) Policy

Our commitment to transforming the lives of our Members and Clients is of paramount importance. The current environment demands that our organisation carefully and deliberately embed sustainability in all aspects of our operations. The ESG Policy reflects our continued growth and maturity of the VM Group, as we recognise the evolution of Corporate Social Responsibility into a more all-encompassing framework which highlights the integration of systems and processes once thought to be disparate.

The ESG policy clearly articulates our position on sustainability issues, creates awareness of ESG principles; and guides the development of activities and initiatives in line with ESG and the overarching Group strategy.

An excerpt of our ESG Policy is available on our website:
https://vmil.myvmgroup.com/policy-resources/

Occupational Safety and Health Policy

This policy outlines our commitment to providing a safe and healthy work environment for our team members, members, clients, visitors, and suppliers; through the development and implementation of strategies and programmes for occupational safety and health.

Our Policies, Frameworks & Guidelines

CONTINUED

“ ROBUST POLICIES.
RESILIENT SYSTEMS.
RESPONSIBLE
ACTIONS.

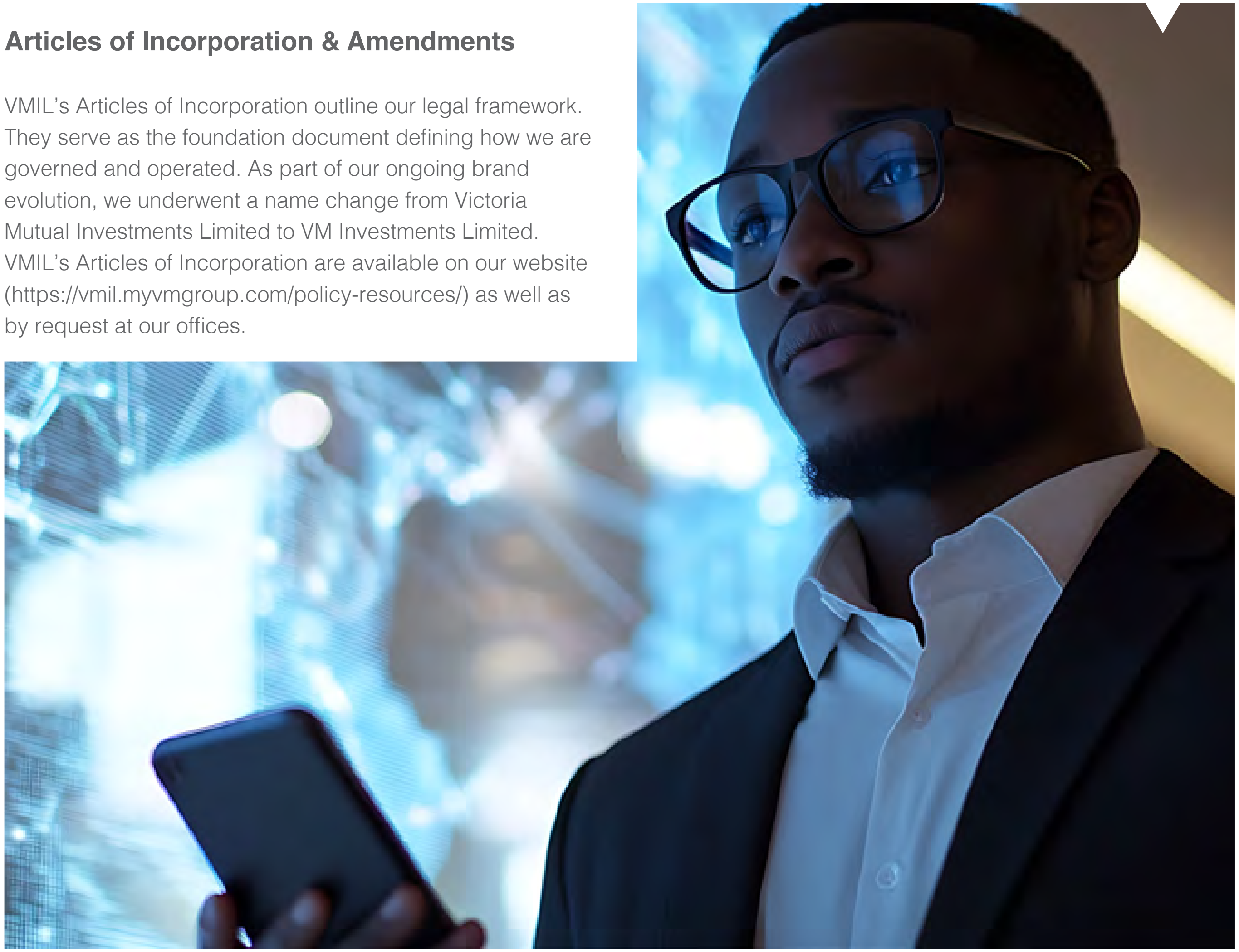
This is accomplished by implementing strategies and programmes aimed at adequately managing safety and health risks to persons while at the workplace; providing adequate resources to facilitate the fulfilment of our Occupational Safety and Health responsibilities; and ensuring that Executives, Managers, Supervisors and designated team members receive training in Occupational Safety and Health Management, Disaster Management & First Aid, at a minimum every three (3) years, while holding these persons accountable for ensuring that Team Members under their supervision comply with standards, rules, regulations, procedures and policies.

Fraud Policy

This Policy provides guidance on the detection, prevention, and investigation of fraud. We promote consistent organizational behaviour by providing guidelines and assigning responsibility for the development of controls, accountability and for conducting investigations. We have zero tolerance for actions that constitute fraud and will take appropriate measures to remove fraud from our operations and take actions to prosecute where necessary.

Articles of Incorporation & Amendments

VMIL's Articles of Incorporation outline our legal framework. They serve as the foundation document defining how we are governed and operated. As part of our ongoing brand evolution, we underwent a name change from Victoria Mutual Investments Limited to VM Investments Limited. VMIL's Articles of Incorporation are available on our website (https://vmil.myvmgroup.com/policy-resources/) as well as by request at our offices.



Social Outreach

> “AT VMIL, SOCIAL RESPONSIBILITY ISN’T AN INITIATIVE—IT’S PART OF WHO WE ARE.

Social Outreach

Introduction

Our social outreach programmes are embedded in what we do at VMIL. Since its inception in 1878, the VM Group, has had at its core, a goal of making home ownership accessible to all Jamaicans. VMIL has extended this responsibility as the investment arm of the VM Group. Our six pillars of social responsibility complement the work of the VM Foundation, through which our philanthropic efforts are executed. These are:

- Health & Family
- Leadership & Nation-Building
- Youth Empowerment
- Financial Literacy
- Environment
- Maintaining & Promoting Integrity & Ethics in Business

2024 Social Strategy & Approach

VMIL had an active year in advancing our Social Strategy and Approach. Throughout 2024, we focused on creating meaningful impact by promoting financial literacy, driving youth empowerment, fostering community engagement, and supporting environmental sustainability.

Financial Literacy

Financial literacy is foundational to informed decision-making and its integration into VMIL's corporate responsibility plays a vital role in supporting local and regional socio-economic development. We understand that the growth of our financial system hinges on the existence of financially literate consumers.

Denise Marshall- Miller, Senior Manager, Bond, Equity & Digital Assets Trading, at ThropX with founder, Winthrop Wellington.

VMWM Team Members participated in VM Financial Fridayz, a YouTube series by VM Group designed to present financial insights in a clear and accessible format. Our experts shared key principles of money management, investing, and offered practical strategies for achieving financial goals. Additionally, in February, VMWM's Research Department published a thought-provoking article critiquing the limitations of GDP as a standalone metric, underscoring our commitment to deeper economic discourse.

By equipping people with the tools and awareness to make decisions that improve their financial well-being, VMIL actively contributes to the long-term growth of the communities we serve.

> "FROM INVESTMENT CLUBS TO HILLSIDE RESTORATION, WE INVEST IN PEOPLE, PLANET, AND PURPOSE.

Social Outreach

CONTINUED

Youth Empowerment

VMIL's dedication to promoting financial literacy in Jamaica, also has a specific focus on empowering Jamaica's youth for the future. Our goal is not only to inspire young people to consider careers in finance or investment, but to equip a generation with the tools and confidence to make sound financial decisions. One of the ways we are achieving this goal is through our investment clubs in schools. Our target is to establish 100 investment and entrepreneurial clubs in secondary and tertiary schools, with a focus on secondary schools.

In September 2024, VMWM kickstarted the Taylor Hall Investment Club at University of the West Indies, Mona. Since its inception, members from VMWM's Research, Capital Markets, and Sales Departments have presented on a wide array of topics covering everything from the 'Fundamentals of Investments 101' to 'IPOs/APOs'. Under this initiative we also support investment clubs at Kingston College and the Wolmer's Boys' School. As we move into 2025, our goal is to expand to even more schools.

The VMWM Team and Taylor Hall Investment Club cement their partnership with the cutting of cake at the launch of the Club at Taylor Hall

Tudie Nanco, Wealth Advisor, enjoying a light moment with Marc-André Allen, mentor to the Taylor Hall Investment Club

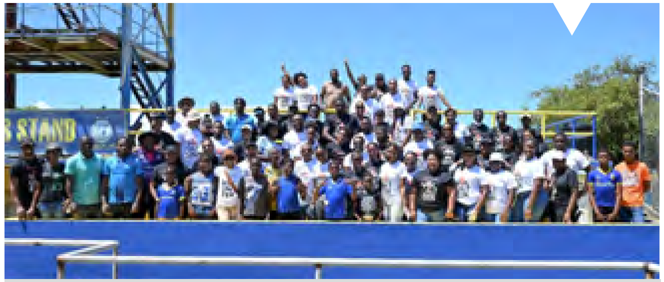
VMIL CEO, Rezworth Burchenson in deep conversation with President of the Kingston College Investment Club

In line with our dedication to empowering individuals with financial knowledge, VMWM's Capital Markets department delivered a guest lecture in February at the University of the West Indies, Mona, where students gained valuable insights into funding options available for entrepreneurs.

Read Across Jamaica Day 2024 sparked a meaningful collaboration between the VM Foundation and the Jamaica Library Service (JLS). Dedicated to increasing literacy rates and igniting a passion for reading among young Jamaicans, the VMIL Team eagerly volunteered islandwide. Both reading to students and sharing how reading has impacted their lives, VM volunteers encouraged the students to dream big and reach for their goals.


VM Team Members participating in Read Across Jamaica Day

Dwight Jackson, AVP, Capital Markets, making his presentation to members of the Jamaica Manufacturers and Exporters Association (JMEA)



The VM Team, after completing a rewarding facial uplift of the Harbour View Football Stadium

Community Engagement

Engaging with the community is an integral aspect of our responsibility. In 2024, we played our part in community engagement by having team members actively involved in a wide range of events, from speaking at webinars on retirement planning to engaging with municipalities regarding home ownership and investments.

Sports is another avenue through which we effect positive change in our communities. On Labour Day, we reaffirmed our commitment to community engagement by uplifting the facilities at the Harbour View Mini Stadium. VM Group, including Team Members from VMIL, painted and refreshed various areas of the Harbour View Football complex, home of the Harbour View Football Club, including bathrooms and changing rooms and installed new benches. Beyond Labour Day, our ongoing support for the Harbour View Football Club is a testament to our belief that sports not only enhances physical well-being but teaches discipline, teamwork, and leadership skills.

Social Outreach

CONTINUED

Dr. Andre Haughton presenting the winners trophy to the MVP at the Montego Bay Futsal Champions League

Winners of the Montego Bay Futsal Competition

VMWM proudly sponsored the Montego Bay Futsal Champions League, a grassroots initiative led by The Valley Foundation. This long-standing programme uses the power of sport to unite communities and reduce crime and violence in Montego Bay. With over 20 teams, 240 players, and a loyal fanbase of more than 1,000 attendees, the league has become a powerful platform for positive change.

Environment

True success is not only measured by financial performance but also by our ability to shape a sustainable future. We are excited that our NEPA Green Business certificate of achievement was renewed for the period between April 2024 and March 2025. This recognizes our efforts to reduce our carbon footprint and the steps taken to ensure our buildings and daily operations minimize negative environmental impact.

VM Team Members and members from the Forestry Department take a break from their tree planting efforts

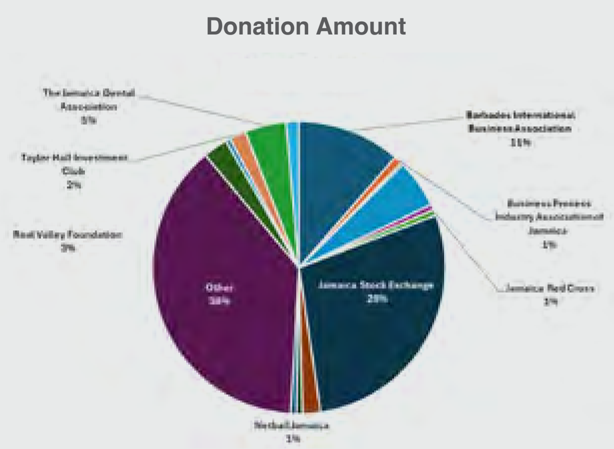
We are also proud to highlight our ongoing three-year partnership with the Jamaica Forestry Department on the Adopt-A-Hillside initiative. Having recently completed two years, we marked this anniversary with VMWM, VMBS and VM Foundation volunteers visiting and reforesting 1.44 hectares of land in the Danks Forest Reserve, Clarendon. This was part of the National Tree Planting Initiative – 'Three Million Trees in Three Years'. under the theme, "One for every Jamaican." As at November 2024, the survival rate of the trees stood at just under 70%, due to a combination of drought, animal trespassing and the passage of Hurricane Beryl.

Additionally, we further support the Forestry Department's Tree Planting in Schools Initiative furthering our shared commitment to sustainability, education, and youth empowerment.

Measuring Impact

To track our progress and ensure we are making a measurable impact, we have closely monitored the following key metrics.

Measuring	2023	2024
Lives impacted	283	363
No. of activities	27	36
Schools reached	2	3
$ amount of Donations made	$1,862,248.51	$7,409,568.25
# of team member volunteers	47	83



While we have made significant strides in advancing our ESG programme, we recognise there is always room for growth. Our initiatives promote financial literacy, empower youth, engage communities, and support environmental sustainability. From educational content and investment clubs to workshops and restoration projects, we continue to expand our impact. Our commitment to environmental stewardship was reaffirmed with NEPA's renewal of our Green Business Jamaica certification. These efforts align with our mission. As we look towards 2025, VMIL remains committed to driving meaningful change and lasting impact in the communities we serve.

Stakeholder Engagement

> "FROM QUARTERLY RELEASES TO REAL-TIME CHAT AT THE AGM, WE ARE COMMITTED TO CLEAR, CONSISTENT COMMUNICATION WITH OUR SHAREHOLDERS."

Stakeholder Engagement

AGM

On July 11, 2024, VMIL held our 7th Annual General Meeting (AGM) in a hybrid format, allowing shareholders to vote on key resolutions both in person and online. Questions, concerns, and comments were addressed in real time during the meeting and via our online chat platform.

The AGM provided shareholders with a valuable opportunity to engage directly with the Board and Executive Management, gaining clarity on financial performance, strategic direction, and operational matters. Management outlined how risks and opportunities are being navigated, reinforcing transparency, accountability, and trust in our governance and future plans.
Key areas of interest among shareholders included:

1. Operational and Financial Performance – A shareholder commended the Board, CEO, and auditors for their professionalism and effectiveness in 2023. Questions were raised about the reduction in customer receivables, which management attributed to active collection efforts and confirmed our commitment to continuing on this trajectory.

2. Macroeconomic and Industry Risks – Shareholders expressed concerns about the impact of Hurricane Beryl on interest rates, rising insurance costs and evolving regulations. Management acknowledged that economic shocks could delay interest rate reductions but emphasised our ability to offer insurance solutions through our affiliate, BCIC. Regulatory compliance was confirmed, with adjustments to reflect changing market conditions.

3. Financial Ratios and Compliance – Management addressed a Q4 2023 covenant breach in Return on Assets and Interest Coverage Ratio, clarifying that the issues had been resolved and that covenant ratios had improved. The potential impact on credit ratings was noted, pending an external review.

4. Regional Expansion and Investment Strategy – We continue to explore regional opportunities, including in Guyana, though no active transactions are currently underway. Gains from Carilend were recognised, with Management also outlining a strategic shift in capital allocation from corporate loans to private equity.

5. Operational Improvements and Customer Concerns – Shareholders raised concerns about digital services issues, including Wi-Fi connectivity and transaction processing times. Management acknowledged these challenges and reaffirmed our commitment to automation and ongoing digital upgrades to enhance customer experience.

6. Capital Strategy and Shareholder Approvals – The resolution to increase authorised share capital was clarified as a proactive measure to facilitate potential future capital raises via preference shares, with no immediate plans for equity dilution.

Overall, the session provided comprehensive insights into our financial performance, regulatory compliance, market strategy, and customer service improvements, with management emphasising focus on resilience, strategic growth, and operational excellence.

Engagement with the Analyst Community

Throughout the year, our CEO actively engaged with the media and industry analysts to provide an open forum for discussion, address key questions, and offer clarity on our operations, financial performance, and strategic direction. These interactions were part of our ongoing commitment to transparency and stakeholder engagement, ensuring that investors, clients, and the wider public remained well-informed about our business.

Given the evolving economic landscape and heightened interest in our industry, we see it as essential to maintain open lines of communication. By proactively sharing insights and responding to inquiries, we reinforce confidence in our strategy, demonstrate our commitment to sound corporate governance, and provide critical context for decisions impacting our stakeholders.

Increased Shareholder Engagement

Throughout the year, we actively engaged our shareholders through enhanced communication efforts, including press releases, direct emailers, and other investor-focused updates. These initiatives were driven by our commitment to transparency, accessibility, and ongoing dialogue with our stakeholders.

Recognising the importance of keeping our investors informed amid evolving market conditions, we sought to provide timely insights, strategic updates, and clarity on key business developments. Our proactive approach was designed to reinforce confidence, address investor concerns,

Stakeholder Engagement

CONTINUED

and highlight growth opportunities, ensuring that shareholders remained well-informed and aligned with our long-term vision. To further strengthen our engagement, we also established a direct communication channel through which shareholders could reach management via the manager with responsibility for Investor Relations (Nicole.Adamson@myvmgroup.com). This initiative was introduced to provide a more personalised and responsive interaction, allowing shareholders to have their queries addressed efficiently and fostering greater trust and collaboration. All queries were responded to within 24 hours.

As we continue to enhance our investor relations strategy, we remain dedicated to delivering clear, relevant, and consistent communications, fostering stronger relationships with our shareholder community.

Increased transparency via shareholder quarterly releases

We strengthened transparency and investor confidence by enhancing our quarterly financial releases for shareholders. Through these updates, we provided clear, timely, and comprehensive insights into our financial performance, strategic initiatives, and market outlook. All quarterly unaudited financial releases were submitted within the regulatory deadlines.

By ensuring that our financial disclosures were detailed yet accessible, we aimed to equip shareholders with the critical information needed to assess our progress and make informed decisions. This commitment to openness and

accountability reflects our ongoing efforts to maintain strong governance practices and uphold the highest standards of financial reporting.

As we move forward, we remain dedicated to continued improvements in transparency, increasing our engagement with shareholders and fostering long-term trust in our organisation.

Perception Audit

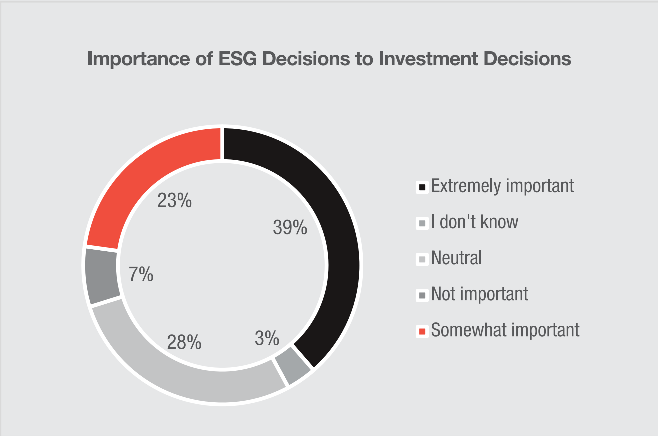
The results of our second annual **Perception Audit** provided valuable insights into investor sentiment and affirmed our commitment to transparency, leadership effectiveness, and sustainable growth. Conducted with two key target audiences—**analysts and shareholders**—this audit served as a vital tool in gauging the perspectives of these important stakeholders. We intend to continue this initiative annually to consistently check the temperature of our investor base and ensure our strategies align with their evolving expectations.

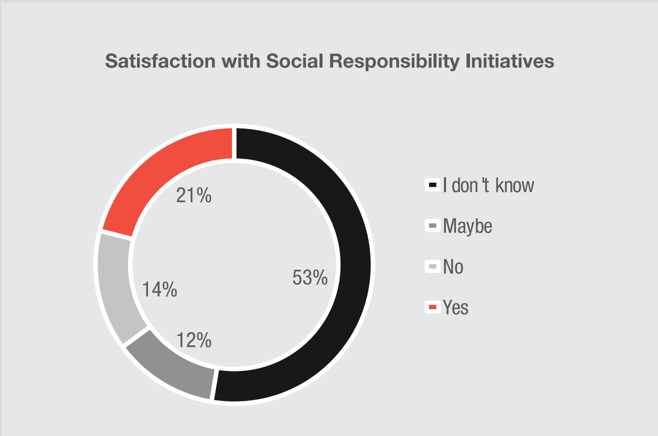
The findings reinforced key themes that will guide our strategic initiatives. Notably, the audit confirmed that the economic environment influenced investment decisions, with many investors adopting a ‘wait-and-see’ approach. However, there is a clear opportunity, as a significant portion of respondents expressed intentions to increase their shareholding over the long term.

In terms of leadership and communication, while opinions on leadership effectiveness were mixed, the audit underscored the importance of continuous engagement of the leadership team. We remain dedicated to enhancing our investor outreach and transparency.

Additionally, the audit highlighted a general awareness of ESG, with a majority of respondents (62%) recognising it as an important issue. However, there is still more work to be done to increase awareness of the efforts we are making in the social sphere. Strengthening communication around our social initiatives (only 21% of respondents rated our social outreach was satisfactory) will be a key area of focus as we continue to integrate ESG principles into our business strategy.

As we move forward, we strongly encourage more individuals to participate in these surveys when they are conducted. Feedback is instrumental in providing key insights into the needs and expectations of our stakeholders, helping us refine our approach and continue building long-term value.





62% OF RESPONDENTS RECOGNISE ESG AS A PRIORITY—NOW WE'RE WORKING TO TURN AWARENESS INTO ACTION.

ESG Disclosures

The tables below reflect VMIL's disclosures relating to ESG factors, with reference to our Organisational Profile, Strategy, Ethics, Governance and Reporting Practice which will provide our stakeholders with a central space to identify and assess our approach to building a sustainable Organisation.

The VM Group ESG Policy conforms to international standards to guide how we report on our journey towards sustainability.

Description of ESG Disclosure	Cross-Reference or Answer
Name of Organisation	VM Investments Limited
Activities, brands, products, and services	VMIL Annual Report
Location of headquarters	53 Knutsford Boulevard, Kingston 5, Jamaica
Location of operations	VMIL operates in 9 locations in Jamaica
Ownership and legal form	Public Company
Markets served	VMIL Annual Report
Scale of operation	VMIL Annual Report
Information on Employees	Our People Report Stakeholder Engagement Employee Engagement VMIL Annual Report
External Initiatives	Stakeholder Engagement Social Outreach VMIL Annual Report
Membership of Associations	Jamaica Chamber of Commerce Jamaica Manufacturers & Exporters Association Mandeville Chamber of Commerce St. Ann Chamber of Commerce Montego Bay Chamber of Commerce

Strategy

Description of ESG Disclosure	Cross-Reference or Answer
VM Strategy	Chairman's Report Chief Executive Officer's Report Strategic Outlook & Achievements -VMIL Annual Report

Ethics and Integrity

Description of ESG Disclosure	Cross-Reference or Answer
Values, principles, standards, and norms of behaviour	Our Core Values Our Cultural Beliefs
Mechanisms for advice and concerns about ethics	Code of Business Ethics & Conduct

Governance

Description of ESG Disclosure	Cross-Reference or Answer
Governance structure	Board of Directors, Board Committees VMIL Leadership Team
Delegating Authority	Board of Directors Board Committees VMIL Leadership Team

Governance (cont'd)

Description of ESG Disclosure	Cross-Reference or Answer
Executive-level responsibility for economic, environmental, and social topics	Board of Directors Board Committees Senior Leadership
Consulting stakeholders on economic, environmental, and social topics	Stakeholder Engagement
Composition of the highest governance body and its committees	Board of Directors
Chair of the highest governance body	Board of Directors
Role of highest governance body in setting purpose, values, and strategy	Board of Directors
Collective knowledge of highest governance body	Board of Directors Board Committees VMIL/VMWM Leadership Team

Stakeholder Engagement

Description of ESG Disclosure	Cross-Reference or Answer
List of stakeholder groups	Stakeholder Engagement Social Outreach
Identifying and selecting stakeholders	Stakeholder Engagement Social Outreach
Approach to stakeholder engagement	Stakeholder Engagement Social Outreach

Reporting Practice

Description of ESG Disclosure	Cross-Reference or Answer
Entities included in the consolidated financial statements	VM Investments Limited VM Wealth Management Limited
Defining report content and topic Boundaries	Contents
List of material topics	Governance and Ethics Human Resources, Engaging Our People Private Equity Holdings Management Discussion & Analysis Industry Analysis & Environment Stakeholder Engagement Risk & ERM Report and Policy Summary Strategic Outlook & Achievements
Restatements of information	N/A
Reporting period	January 1 - December 31, 2024
Date of most recent report	December 31, 2024
Reporting cycle	January 1 - December 31, 2024

Shareholdings

Shareholdings for VMIL's Top Ten Largest Shareholders at December 31, 2024

RANK	NAME	TOTAL SHARES
1.	VM Financial Group Limited	1,200,020,000
2.	PAM – University Hospital Scheme of Pensions	7,560,600
3.	Rezworth Burchenson & Valerie Burchenson	6,400,330
4.	Sagicor Select Funds Limited (Class B' Shares) Financial	6,135,970
5.	JCSD Trustee Services Limited A/C Barita Unit Trust Capital Growth Fund	4,836,987
6.	Michael McMorris & Christine McMorris	5,055,667
7.	VM Wealth Equity Fund	4,791,347
8.	Geoffrey Forde	4,500,000
9.	Rickardo Ebanks & Alda Ebanks	4,637,221
10.	PAM – Pooled Equity Fund	3,673,648

Shareholdings for VMIL Senior Managers/Connected Parties as at December 31, 2024

NAME	SHAREHOLDINGS
Valerie Burchenson / Rezworth Burchenson	249,952
Rachelle Burchenson / Rezworth Burchenson	75,000
Rezworth Burchenson/Valerie Burchenson	6,400,330
Oswald Burchenson / Rezworth Burchenson	212,147
	Combined Holding: 6,937,429
Nicole Adamson/Johann Adamson	379,000
Denise Marshall-Miller/Ajani Miller	25,000
Denise Marshall-Miller/Wayne Miller	850,000
Denise Marshall-Miller/Azania Miller	25,000
Denise Marshall Miller/Akil Parchment	0
	Combined Holding: 900,000
Evette M. Bryan / Shullette Cox	247,000
Allison Mais	0
Dwight Jackson	0
Brian Frazer	0
Christine Benjamin	0
Rickie Williams	0

Shareholdings for VMIL Directors/Connected Parties as at December 31, 2024

NAME	SHAREHOLDINGS
Michael McMorris/Christine McMorris	5,055,667
Courtney Campbell / Pauline Campbell/Dominic Campbell/ Adrian Campbell	1,832,826
Milton Samuda	103,646
Noel Hann	150,000
Phillip Silvera / Faye Silvera	372,816
Sandra Shirley	413,809
Janice McKenley / Wilfred McKenley	1,045,475
Rezworth Burchenson/Valerie Burchenson/Rachelle Burchenson/ Oswald Burchenson	6,937,429
Matthew Gray Wright	677,252
Vikram Dhiman	0

Chief Executive Officer's Report

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"VMIL DELIVERED SOLID FINANCIAL RESULTS IN 2024—PROOF OF OUR RESILIENCE, ADAPTABILITY, AND STRATEGIC EXECUTION."

—Rezworth Burchenson, CEO

Chief Executive Officer's Report

Economic Context & Financial Highlights

The year 2024 was marked by a complex global economic environment, characterised by persistent inflationary pressures, fluctuating interest rates, and geopolitical uncertainties. In the United States, the Federal Reserve maintained a cautious approach to interest rate adjustments, balancing economic growth with inflation control. The global economy experienced moderate expansion, though headwinds from supply chain disruptions and energy price volatility persisted.

Locally, Jamaica initially experienced strong growth, but had her wind knocked out of her sails with the passage of Hurricane Beryl. Still, the 12-month point-to-point inflation rate was 5.0% in December 2024, aligning with the Bank of Jamaica's (BOJ) target range of 4 percent to 6 percent. In response to stabilising inflation, the BOJ reduced its policy interest rate to 6 percent per annum in December 2024, marking the fourth consecutive rate cut that year. This monetary easing aimed to support economic growth while maintaining price stability.

In the political arena, there was a significant transition in the Ministry of Finance. In October 2024, Dr Nigel Clarke stepped down as Minister of Finance and the Public Service and was succeeded by Hon. Fayval Williams. This leadership change signalled a continued commitment to prudent fiscal management and economic reform.

Overall, Jamaica's economic performance in 2024 was characterised by controlled inflation, accommodative monetary policy, and steadfast fiscal leadership, creating a stable environment conducive to investment and growth. The local financial markets, however, faced challenges from liquidity constraints and regulatory changes.

In Barbados, economic recovery continued on the back of increased tourism and foreign direct investment. In 2024, Barbados' economy experienced its third consecutive year of expansion, with Real Gross Domestic Product (GDP) increasing by 4 percent, driven by strong performances in the business services, tourism, construction, and retail trade sectors. Inflation continued its downward trajectory, with the rate decreasing to 1.4 percent in 2024 from 3.2 percent in 2023.

In December 2024, Barbados completed a pioneering 'debt-for-climate resilience' swap, reallocating US $165 million towards water infrastructure, food security, and environmental protection, effectively freeing up fiscal space for critical infrastructure investments without increasing overall debt levels. Overall, Barbados' economic performance in 2024 was characterised by sustained growth, controlled inflation, and innovative financial strategies aimed at bolstering climate resilience and sustainable development.

Against this backdrop, VMIL delivered solid financial results in 2024, demonstrating resilience and adaptability. We achieved revenue growth, driven by strong performances in asset management and private equity. We also returned tangible value to our shareholders with the resumption of dividend payments, issuing two interim dividends over the course of the year. This underscores our commitment to rewarding our investors while maintaining a prudent approach to capital allocation.

VMIL's strong financial performance in 2024 is the result of effective strategic execution, improved market conditions, and disciplined financial management. We reported a net profit of $555.7 million, a significant increase from $198.8 million in 2023. This was driven by robust investment gains, disciplined cost management, and an expansion in revenue streams. Despite challenges in the macroeconomic environment, our diversified approach allowed us to capitalise on opportunities.

> "WITH A NET PROFIT OF $555.7M AND A SHARP RISE IN OPERATING PROFIT, VMIL IS STRONGER, LEANER, AND MORE FOCUSED THAN EVER.

Chief Executive Officer's Report

CONTINUED

Our net interest income improved to $151.4 million, reflecting a reduction in interest expense and growth in interest-generating assets. Gains from investment activities surged to $1.44 billion, up from $866.3 million, demonstrating the strength of our portfolio management. Additionally, net fees and commissions remained a key contributor to our earnings, amounting to $1.01 billion, up from $944.9 million in 2023. Other operating revenue grew to $2.5 billion, supported by increases in dividend income and other non-interest income sources.

Total operating costs rose to $2.38 billion from $1.87 billion, primarily due to higher staff costs and other operating expenses. However, our strong revenue growth offset these increases, enabling us to maintain a healthy bottom line. Our share of profit from associates also remained solid at $193.4 million, underscoring the value of our strategic partnerships.

Our balance sheet remained strong and well-capitalised, with total assets increasing to $30.46 billion, compared to $29.51 billion in 2023. This growth was fueled by an expansion in investment securities, which stood at $19.47 billion, as well as improvements in cash and cash equivalents. Meanwhile, we reduced our repurchase agreements from $14.36 billion to $13.93 billion, reflecting our commitment to prudent capital management. Our assets under management were complemented by the off-balance sheet assets of $92.68 billion, managed by our subsidiary, VMWM.

Strategic Review (2024-2026)

At both the managerial and Board levels, we undertook a comprehensive strategic review to position VMIL for sustained growth. As a result, key adjustments were made to enhance our potential for success, including:

- **A Stronger Focus on Asset Management:** We increased our emphasis on our asset management business line, particularly in real estate investments, recognising the long-term value this sector offers.
- **Digital Transformation:** We continued to solidify our digital transformation strategy, enhancing operational efficiency and client experience.
- **Acceleration of Private Equity Investments:** We made significant strides in our private equity strategy, disposing of our Carilend holdings at a profit while acquiring additional stakes in Island Car Rentals and Stationery World and Book Center Limited. These investments complement our existing portfolio, which includes a10 percent stake in Home Choice Limited and a 23 percent stake in Kingston Properties Limited (KPREIT).
- **Barbados Expansion:** Our acquisition of RFI and its subsequent rebranding to VM Wealth Funds marked a significant milestone in our regional growth strategy, strengthening our presence in Barbados and broadening our service offerings.

Capital Raising & Client Transactions

In 2024, VMIL played a critical role in capital market activities, successfully raising capital for various clients and executing significant transactions, including the successful closure of our second private equity-type deal, financing Stationery World and Book Center Limited. Additionally, we successfully refinanced the US$10 million in bond maturities of ICR Holdings Limited.

Notably, we facilitated a major client trade in September, showcasing our capabilities in structuring and executing large-scale deals. The Trading Team concluded and executed the transaction that had been in motion since November 2023 and was valued in excess of $11 billion in local equity. This resulted in the Team exceeding their Equity Commission budget for the year!

Additionally, our strategic partnership with VM Pensions Management and the Private Sector Organisation of Jamaica (PSOJ) to redevelop the PSOJ Building on Hope Road in St Andrew to a sustainable commercial development at a cost of $1 billion, highlights our commitment to contributing meaningfully to national development initiatives. VM Pensions Management and our subsidiary, VM Wealth Management, are equity partners providing co-investment capital and expertise in project management and real estate, utilising the respective real estate portfolios for financing the development.

Credit Rating & Capital Management

In September, regional rating agency, CariCRIS reaffirmed VMIL's investment-grade Issuer/Corporate Credit Ratings at **CariBBB** (Local Currency Rating) on the regional scale, and jmBBB+ (Foreign Currency Rating) and jmA- (Local Currency Rating) on the Jamaica national scale, adjudged in relation to other obligors in Jamaica, as "good" and maintained a stable outlook. These ratings reflect confidence in our financial stability and governance.

In December, we successfully refinanced $5.4 Billion of our bonds through a public offer, which, when closed on January 10, 2025, was oversubscribed by $1.2 billion, reflecting our position as a trusted leader in Jamaica's financial market. This increases our ability to support SMEs through private equity investments, trade, and bridge financing, advances our strategic growth initiatives in areas such as real estate, and reinforces our commitment to prudent capital management.

ESG & Investment Clubs

Our ESG initiatives continued to gain traction. One of our flagship programmes, the **Investment Clubs in Schools**, saw remarkable engagement, particularly through the Taylor Hall Investment Club, which was launched in September. By fostering financial literacy among students, we are shaping the next generation of investors and business leaders.

Team Member Development & Organisational Growth

We recognise that our success is driven by the talent and dedication of our Team Members. In 2024, we supported several of our Team Members in successfully completing their Chartered Financial Analyst (CFA) exams. The CFA programme is one of the most respected and rigorous certifications in the investment management industry, equipping professionals with deep expertise in financial analysis, portfolio management, and ethical decision-making. Supporting our Team Members in achieving this prestigious qualification not only enhances their technical capabilities but also strengthens VMIL's ability to deliver world-class investment solutions. By investing in their professional growth, we aim to cultivate a highly skilled team, a key anchor of our strategy, and ensure that we remain at the forefront of an evolving financial landscape.
Our Team Member-led engagement committee, **The Modern Movers**, played a crucial role in enhancing workplace culture, while strategic reorganisation efforts led to the creation of new roles to better align with our growth trajectory.

Industry Recognition

VMIL was proud to be recognised at the JSE Best Practices Awards, reinforcing our commitment to excellence in governance and investor relations. We were honoured to:

- Win the Member Dealers Award for Investor Relations & Stockbrokerage
- Be awarded 1st Runner Up for the Member Dealers Award for Website
- Be awarded 2nd Runner Up in the Member Dealers Award for Expansion of Investors & Listed Companies Base

These recognize our dedication to growing the investor community and expanding market participation.

Chief Executive Officer's Report

CONTINUED

Challenges, Lessons Learned & Our Commitment to Improve

While 2024 was a year of progress, we faced notable challenges, including:

- **Impairment on Financial Assets:** The challenges faced in 2024 underscored the importance of strengthening our Risk Management Framework to better anticipate and mitigate credit losses. As a result, in 2025, we will implement more rigorous credit assessment models, enhanced portfolio monitoring, and proactive stress testing to minimise impairment risks and protect shareholder value.
- **A Stagnant Stock Price:** Despite VMIL's strong financial performance and strategic growth initiatives, our stock price did not reflect our intrinsic value. This reaffirmed the need for more proactive investor engagement and market education. In 2025, we will intensify our efforts to showcase our growth strategy, financial strength, and long-term value proposition through targeted investor relations activities, increased transparency, and stronger communication with both institutional and retail investors.

Outlook for 2025-2026

Looking ahead, VMIL is poised to leverage key market themes to drive growth and deliver enhanced value to our Shareholders.

Our strategic priorities include:

- **Alternative Investments:** Strengthening our private equity and real estate portfolios to generate long-term returns.
- **Corporate Governance & Accountability:** Continuing to uphold the highest standards of transparency and ethical business practices.
- **Fintech & Digital Innovation:** Advancing our digital transformation initiatives to enhance efficiency and customer experience.
- **Data Analytics & AI:** Harnessing data-driven insights and artificial intelligence to optimise decision-making and risk management.

Looking ahead, we remain focused on delivering value for our Shareholders, optimising our investment strategies, and maintaining a disciplined approach to risk management. With a strong financial foundation, we are well-positioned to navigate the evolving market landscape and drive sustainable growth in the years ahead.

REZWORTH BURCHENSON
CHIEF EXECUTIVE OFFICER
VM INVESTMENTS LIMITED

2024 Business Highlights

1 Completion of RFI Acquisition

Successful rebrand to VM Wealth Funds

- VM Wealth Capital Growth Fund
- VM Wealth Income Fund
- VM Wealth Property Fund

2 Successfully closed SIX capital market raises

- $670M — West Indies Petroleum South Terminai
- $330M — Smart Mobile Solutions
- $780M — Stewarts Hardware
- $1.4B — Island Car Rentals
- $140M — Stationery World and Book Centre
- $5.4B — VM Investment Limited

3 Implementing the LOAN EDGE Digital Solution

4 Smooth transition to T+1 settlement period for EQUITY TRADES

5 NEPA recertification of GREEN BUSINESS JAMAICA AWARD

6 Corporate Governance Index rating UPGRADED to A

7 Launch of the Taylor Hall Investment Club

2024 Business Highlights

8 | Presentation at **THROPX Conference** where **Denise Marshall-Miller**, Senior Manager, Bond, Equity and Digital Assets Trading, shared her expertise on the potential and investment opportunities within the Jamaican financial markets

9 | **3** JSE **Best Practices Awards**

a. **Winner of the Member Dealers Award:** InvestorRelations and Stockbrokerage
b. **1st Runner up for the Member Dealers Website**
c. **2nd Runner up for the Member Dealers Expansion** of Investors & Listed Companies

10 | Successful exit of **Carilend Private Equity investment** at a gain of **$422 Million**

11 | Upgrade of **Client Management System**

12 | Partnership with **PSOJ** for redevelopment of their **headquarters**

13 | Dividends of **$0.085** per share via two interim dividends

14 | **CariCris** reaffirmed our **investment grade** rating of **CariBBB**

15 | Successful **VMIL Public Bond Offer**

VMIL Leadership Team

“

OUR LEADERS SHAPE AND EXECUTE OUR STRATEGIC AND OPERATIONAL VISION. THEIR ROLES DEMAND FOCUS, AGILITY, AND A COMMITMENT TO CREATING AND SUSTAINING VALUE FOR ALL STAKEHOLDERS.

Mr Dwight Jackson
MSc
Assistant Vice President
Capital Markets

Ms Christine Benjamin
MBA, BSc
Senior Manager
Sales & Client Relations

Ms Allison Mais
FMVA, Prosci, CSPO, PMP, MSc, BSc
Vice President
Operations

Mr Rezworth Burchenson
MBA, BSc
Chief Executive Officer

Mrs Denise Marshall-Miller
MBA, BBA (Hons)
Senior Manager
Bond, Equity and Digital Asset Trading

Mrs Evette Bryan
MBA
Assistant Vice President
Asset Management & Treasury

Mr Brian Frazer
BSc, CFA
Deputy Chief Executive Officer

Absent from the photo are Sean Yearwood, Karlene Maragh and Nicole Adamson.

VMIL Leadership Team

CONTINUED

Mr Rezworth Burchenson
MBA, BSc
Chief Executive Officer

Rezworth is a Senior Vice President and CEO of VM Investments Limited and our subsidiary, VM Wealth Management (VMWM). Rezworth was appointed CEO of VMIL and VMWM in January 2019 after a successful tenure as Deputy CEO of both businesses and CEO of VM Pensions Management Limited.

He is a purpose-driven leader with an impressive record of success in the financial services industry. Before joining the VM Group, Rezworth had provided transformative leadership in senior roles including CEO of Prime Asset Management Ltd and Vice President and General Manager of Pan Caribbean Asset Management Ltd, with principal responsibility for managing Jamaica's largest unit trust (Sigma Unit Trust).

Rezworth is well regarded by his industry peers, his team members, and clients, and has received accolades for his contribution to the local financial landscape. In 2012, he was named among the Private Sector Organization of Jamaica's (PSOJ) exclusive '50 Under Fifty' in the field of investments and finance.

His contribution to the sector also includes serving on the PSOJ's Economic Policy Committee and as a member of the JSE Best Practices Committee. He has also served as a Director of:

> National Road Operating and Constructing Company (NROCC), National Education Trust Ltd (NET), Human Resource Management Association of Jamaica, and Pension Industry Association of Jamaica (PIAJ).

Currently, he is a Board Member of Kingston Properties Ltd and serves on their Investment and Audit Committees.

A Barclays Bank Scholar while at the University of the West Indies, he earned a Bachelor's Degree in Economics (Hons) and an MBA in Banking and Finance (Hons). He also received leadership training at:

> The Wharton School, Aresty Institute of Executive Education Advanced Management Programme (AMP 194) at Harvard Business School Palladium's Kaplan-Norton Strategy Execution Boot Camp.

Rezworth believes strongly in purposeful work and is driven to improve financial inclusion and wellbeing among Jamaicans at home and abroad.

Mr Brian Frazer
BSc, CFA
Deputy Chief Executive Officer

Brian joined the VM Group on September 1, 2022, as Deputy Chief Executive Officer at VM Investments Limited and VM Wealth Management Limited with direct responsibility for our Treasury Operations, Trading, Asset Management and Sales & Client Relations divisions. In addition to being responsible for the primary revenue lines, he also supports the Chief Executive Officer with providing oversight over our fiduciary, financial and operating performance and formulating and executing strategies to grow our business. On April 1, 2024, Brian also assumed the role of Chief Treasury Officer of VM Financial Group Limited.

Brian has over 20 years of senior management experience in the financial services industry and has vast experience in trading, treasury, asset management, risk management, compliance, corporate governance, operations, and product development. In his previous role within the Scotiabank Group as Vice President and Chief Investment Officer - Asset Management, Brian was responsible for developing the strategic direction for the asset management business lines across the English-Speaking Caribbean Region which included product development, product management and investment management. Brian led an investment management team which had responsibility for the management of assets under management of over US$1.9 billion on behalf of investors across the region, covering all the major asset classes including public market debt and equities as well as alternative investments such as private debt and equity and real estate.

Brian earned his undergraduate degree in Accounting and Economics at The University of the West Indies (Mona) and has received professional training in accounting, asset/liability management, and risk management both locally and overseas. Brian is a Chartered Financial Analyst (CFA) Charterholder and is a member of the CFA Institute. He is the founding President of CFA Society Jamaica and served as a Director and the Chair of the Membership Committee of the Pension Industry Association of Jamaica. Brian was a member of the Advisory Council responsible for establishing the Caribbean Alternative Investments Association (CARAIA) and was a founding board member.

Brian serves as Chair of the Board of VM Wealth Funds Ltd, sits on the Board of VM Pensions Management Limited, and is also a member of its Investment Committee. He currently serves on the Audit Committee of the Ministry of Finance and the Public Service (Government of Jamaica) and the PSOJ Economic Policy Committee, and previously held the position of Managing Director at Scotia Investments Trinidad and Tobago Limited.

Ms Allison Mais
FMVA, Prosci, CSPO, PMP, MSc, BSc
Vice President, Operations

Allison is a Corporate Executive known for her exceptional planning and execution skills and has an excellent track record of steering corporate and strategic planning functions, developing and implementing digital roadmaps, spearheading merger integrations, and overseeing operational improvement initiatives.

As the Vice President - Operations at VMWM & VMIL, Allison is responsible for Business and Digital Transformation, Compliance, Research and Business Planning, Corporate Governance and Investor Relations, Client Experience and Business Processes & Quality Assurance functions. She is also a member of the Board of Directors for VM Wealth Funds, Barbados

Prior to joining VMIL, during her tenure with the GraceKennedy (GK)

Corporate Office, Allison led the development and management of the GK Group's strategic plan, orchestrated the planning process, led the GK 2030 strategy, monitored their competitive positioning for Foods & Financial Services, and led the corporate planning and business intelligence functions.

Before GK, Allison spent several years at the VM Group planning and executing strategic and innovative projects. Allison led the VM Foundation through its inaugural strategic retreat and developed a comprehensive payments strategy for the group. More recently, Allison held CEO roles in both a private equity business and a microlending fintech.

Allison holds a bachelor's and master's degree and her commitment to professional development is evidenced by certifications from Wharton, Columbia Business Schools, and the Universities of Boston and Virginia. Furthermore, she holds certifications in Change Management, Project Management, Agile Leadership, Financial Modelling & Valuation Analysis and ESG, reflecting her dedication to staying at the forefront of industry best practices.

Beyond her professional endeavours, Allison remains deeply committed to fostering growth and innovation within her community. Her past role as a Strategic Planning Mentor for the RevUP Caribbean's incubator programme and her current involvement with the Private Sector Organisation of Jamaica's Human Capital and Development Committee, underscore her dedication to driving positive change beyond organisational boundaries.

Mr Sean Yearwood
MSc, BSc
Country Head, VM Wealth Management
Barbados Office

Sean is the purpose-driven Country Head of the VM Wealth Management Limited Barbados Office. He has accumulated more than 16 years of success working in the financial services industry, having started as an Investment Administrator in 2008 and quickly working his way into senior management and executive roles. Among the posts he has held in the sector are Investment Manager, Head of Treasury, and Investments, and Assistant Vice President, Asset Management.

With a Bachelor of Science degree in Economics and Management, and a Master of Science in Investments and Wealth Management, Sean has built his career while working in international business banking, local merchant banking and insurance in Barbados. He has managed high net worth and corporate investment portfolios, mutual funds, treasury portfolios, foreign exchange desks, pension portfolios and statutory insurance portfolios.

Sean's passion for numbers, his engaging personality, adaptability, and entrepreneurial skills have made him a respected leader in the Barbados financial services space.

Outside of Finance, Sean is a Certified Personal Development and Executive Coach, and his love of coaching extends beyond the professional setting, as he is also an internationally certified volleyball coach, coaching both club and secondary school volleyball teams.

Mr Dwight Jackson
MSc, BSc
Assistant Vice President
Capital Markets

Dwight joined the team in February 2021 as Assistant Vice President, Capital Markets to develop and implement strategies aimed at growing VMWM's and VMIL's market share locally and regionally.

Dwight has more than 10 years of combined experience in the financial industry spanning investment banking, commercial banking, central banking, risk management, model building and research.

His most recent prior assignment was in the role of Manager, Origination & Structuring – Investment Banking Unit at NCB Capital Markets. While there, he was instrumental in originating, structuring, arranging, brokering, underwriting, and listing some of the largest IPOs and public offerings of shares in Jamaica's history.

Prior to that, Dwight was Quantitative Risk Officer, Group Risk Management Division at NCB where he managed group-wide credit risk exposure with assets of just under $700 billion, stipulating suitable risk limits for credit portfolios and developing frameworks and models to better analyse and manage risk exposures.

Dwight attained a Master of Science degree in Economics with concentration in Financial Economics and Game Theory from the University of the West Indies, Mona, and a Bachelor of Science degree with honours from the University of the West Indies. He is also certified in Corporate Finance from Euromoney Learning, London.

VMIL Leadership Team

CONTINUED

Mrs Karlene Waugh
BSc
Assistant Vice President, Operations

A results-focused professional with a passion for efficiency and effectiveness, Karlene holds the post of Assistant Vice President, Operations. In this capacity, she plays a pivotal role in the design & alignment of business objectives to products, process & technology, standardisation of business processes, increased automation of process controls and compliance with internal controls.

Karlene's journey in the financial industry started in 1992 at VMBS in the capacity of Teller at the Half-Way Tree Branch. She has since progressed through the organisation, serving in various positions through to her current role. These positions include Supervisor – Branch Accounting, Customer Service Representative and Teller, Assistant Manager – Systems and Methods and Assistant Manager – Half-Way Tree Branch.

With over 20 years of experience in Building Society operations with proven competence in operations, policy & process improvement, Karlene holds a BSc. in Management Studies (Hons.) from the University of West Indies (Mona).

Mrs Evette Bryan
MBA, BSc
AVP Asset Management & Treasury

Evette joined the Team as a Client Relations Officer in July of 2001. She then advanced to the position of Senior Investment Advisor followed by Treasury Officer in 2003. Her promotion to Manager, Treasury and Trading in 2011, was followed by further advancement in 2019 to Senior Manager, Treasury and then by a growth in portfolio responsibilities in 2022 to Assistant Vice President Treasury and Asset Management.

Prior to joining VMWM, Evette held the position of Junior Supervisor at one of the leading financial institutions in Jamaica. She was also a part of the Fitz-Ritson and Associates teaching staff for a few years, imparting knowledge to the investment banking sector on Portfolio Management, Mutual Funds and Financial Management.
Evette holds an MBA in Banking and Finance from the Mona School of Business, University of the West Indies, Mona. She has also excelled in professional short courses focusing on Leadership, Project Management, Enterprise Risk Management, Strategic Financial Management and Portfolio Management, from the Harvard School of Business, Mona School of Business and Fitz Ritson and Associates.

Mrs Denise Marshall-Miller
MBA, BBA (Hons.)
Senior Manager
Bond, Equity and Digital Asset Trading

Denise joined the VM Wealth Management Limited team as Manager–Bond Trading in February 2011 with a mandate to facilitate the growth of bond trading revenue by providing internal and external clients with diversified bond options. Towards this end, she has focused on building and expanding trading relationships with overseas counterparts, providing guidance to the Bond Trading Team and deepening relations with VM Wealth Management clients. In July 2019, Denise's portfolio was expanded to include the Stockbrokerage division of the business, where she was tasked with growing the equity portfolio, generating trading gains, and growing equity commission, while educating the client base on investing. In January 2022, she was promoted to Senior Manager - Bond, Equity and Digital Asset Trading. Alternative investments were added to her portfolio, and she is tasked with generating revenue from both traditional and non-traditional investments.

Denise has more than 18 years of experience in the Finance Industry and has built a strong record of accomplishment as a successful Investment Manager. She consistently demonstrates her expertise in deal structuring, corporate and sovereign bond trading, US treasury trading, portfolio management, equity trading and treasury management.

Her career in investment started at Mayberry Investments as a Wealth Advisor and quickly accelerated to that of Manager, Markets & Trading Department. Her core competences include negotiation, crafting and executing trading strategies in addition to the creation of customised portfolios specifically designed to meet Clients' investment needs and maximising portfolio returns.

Denise holds an MBA with a Finance major from the Mona School of Business and a BBA (Hons) & Diploma (Dist) in Banking and Finance from the University of Technology. She has also attained professional certificates from Harvard, CPTC, Morgan Keegan Bond Schools and Mona School of Business and Management.

Ms Christine Benjamin
MBA, BSc
Head, Sales & Client Relations

Christine joined the VM Group on January 19, 2023, as Head, Sales and Client Relations at VM Wealth Management Limited. Christine provides oversight of VMWM's Sales and Client Relations operations. As a seasoned investment professional with over 10 years of experience in investment banking and business development, she has honed her craft with some of the most established firms in the industry.

Christine is passionate about creating exceptional client experiences while ensuring that clients realise their financial dreams and goals. As an accomplished sales leader, she has garnered experience in optimising the design of sales structures and compensation, for optimal results. In her previous roles, she was a key driver of sales strategy development and execution, with a keen focus on sales effectiveness.

Christine earned her MBA in Banking & Finance from the Mona School of Business and Management and holds an undergraduate degree in International Relations from The University of the West Indies, Mona.

Ms Nicole Adamson
CFA, FRM, CSM, MSc
Manager
Research, Business Planning & Investor Relations

Nicole is an accomplished finance professional with extensive experience in investment management, research, and strategic planning. As Manager of Research, Business Planning & Investor Relations at VM Wealth Management, Nicole leads a team of analysts dedicated to providing comprehensive research and analysis on macroeconomic variables, financial markets, and investment securities. Her responsibilities include managing the Counterparty Risk Management Framework, providing buy-side research for proprietary accounts, and sell-side research for VM Wealth clients. Additionally, Nicole plays a key role in managing the strategic planning activities for VMWM and VMIL, as well as overseeing the Investor Relations function for VMIL.

With a deep commitment to corporate governance and sustainability, Nicole has also made significant contributions as the Chairman of the ESG Committee for the VM Group, where she was instrumental in developing and implementing the Group's ESG policy. Nicole's involvement at VMIL extends to her role as the Chair of the Investment Management Committee, which monitors the investment activities of both on and off-balance sheet portfolios. Her contributions are integral to ensuring that the group's investment policies are effectively applied, with a focus on risk management and liquidity oversight.

Nicole holds a Master of Science in Finance, Economics & Econometrics from Bayes Business School, University of London, and a Bachelor of Science in Actuarial Science from the University of the West Indies. She is a Chartered Financial Analyst (CFA), a Financial Risk Manager (FRM), and a Certified ScrumMaster (CSM), showcasing her diverse skill set in both finance and management.

Management Discussion & Analysis

Management Discussion & Analysis

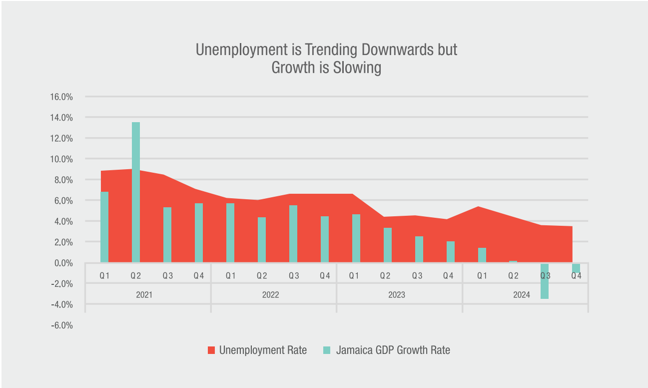
INDUSTRY & ENVIRONMENTAL OVERVIEW

In 2024, the global economy demonstrated remarkable stability despite challenges such as geopolitical uncertainties, persistent inflationary pressures, and elevated interest rates. The International Monetary Fund (IMF) estimates global economic growth at 3.30%, reflecting a slight improvement from 3.10% in 2023, an increase of approximately 6.45%. During this period, VMIL employed a dynamic and strategic approach, repositioning our portfolio to effectively manage the challenges posed by sustained high interest rates and slower economic growth, shaped by the shifting global landscape.

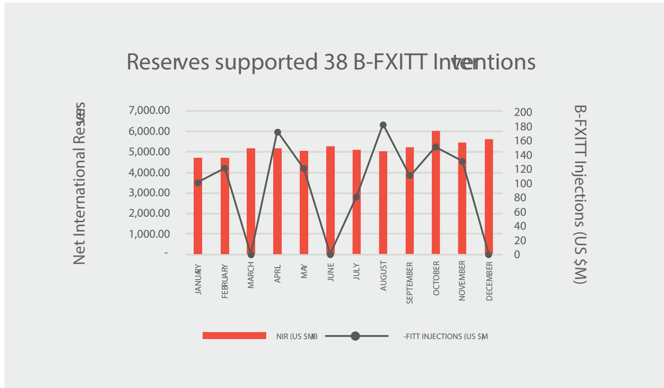
JAMAICA

Jamaica's economic performance in 2024 was marked by mixed results, with initial growth followed by contraction due to external shocks. The economy is estimated to have contracted by approximately 0.80%, down from a 2.60% expansion in 2023. While the first half of the year showed positive growth, the third quarter saw a sharp contraction of 3.5%. This downturn was largely caused by the impact of Hurricane Beryl, which resulted in an estimated $67 billion in damage, severely disrupting key sectors such as tourism, utilities, construction, and agriculture. These sector contractions, compounded by other challenges, hindered overall economic growth.

Jamaica's unemployment rate saw fluctuations throughout the year. Employment gains were made due to economic recovery efforts, but external shocks, such as Hurricane Beryl, threatened the sustainability of these improvements. The unemployment rate reached a record low of 3.5% in early Q4, compared to 5.4% at the beginning of the year. The largest employers in Jamaica included the Wholesale & Retail Trade sector, as well as Agriculture, Forestry, and Fishing.



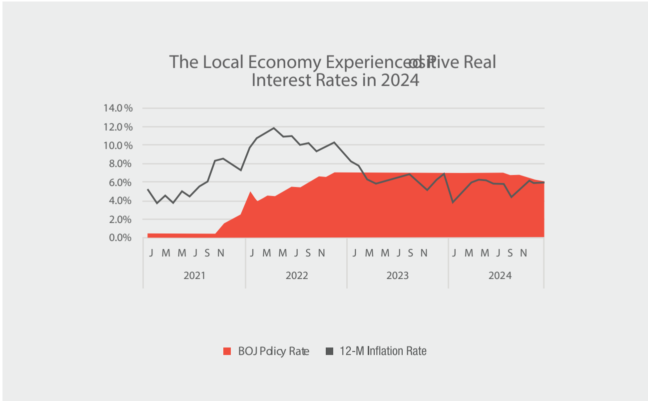
Foreign exchange reserve levels fluctuated throughout the year but remained in a net positive position. Jamaica's foreign exchange rate experienced fluctuations against major currencies. The BOJ actively intervened in the foreign exchange market, including selling US$1.16 billion through its B-FXITT facility to manage liquidity and stabilize the currency. To counter inflationary pressures and stabilize the market, the BOJ also maintained a tight monetary policy throughout the year. By the end of December, the exchange rate for the US dollar was JMD 154.79 for buying and JMD 156.42 for selling, a rate of depreciation of 0.94%. The year saw a high of JMD 159.48 on October 14 and a low of JMD 152.87 on April 3. The BOJ net purchased an estimated US$1.3 billion in foreign currency during 2024, which helped increase reserves and supported the local economy. Jamaica's international reserves reached record highs, totaling US$5.584 billion by year-end. Remittances for 2024 declined by 2%, totaling US$3.37 billion, down from US$3.44 billion in 2023. This decline was largely due to inflation and changes in the global labour market impacting Jamaican migrants.



Management Discussion & Analysis

CONTINUED

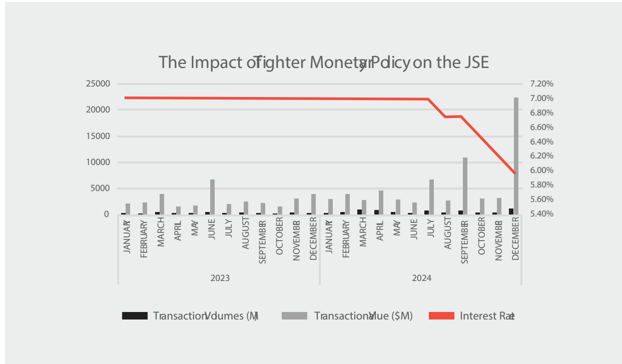
Inflation in 2024 moderated significantly, reaching a six-year low of 4.97%, compared to 6.88% in 2023. Contributing factors to the overall inflation rate included a spike after Hurricane Beryl, which pushed inflation to 6.43%. Additionally, higher costs for fruits and vegetables, global commodity price fluctuations, and increased rental and electricity prices also played a significant role. The BOJ continued its strategy of cautious monetary tightening, maintaining a policy interest rate of 7.00% at the start of the year until August. However, by December, the BOJ had reduced the rate to 6.00%,following four 25-basis point cuts. These actions were aimed at ensuring inflation stayed within the target range while returning real interest rates to positive territory.



Jamaica's national expenditure for the 2024/25 financial year was budgeted at $924.1 billion, a 13% increase from $820.0 billion in 2023/24. Total revenue for the year was estimated to be $925.3 billion, including $8.1 billion in grants. Tax revenues amounted to $831.8 billion, a slight 0.5% increase from the previous year. The fiscal plan also included an increase in the maximum permitted voting equity capitalization for new companies listed on the Junior Stock Exchange, from $500 million to $750 million.

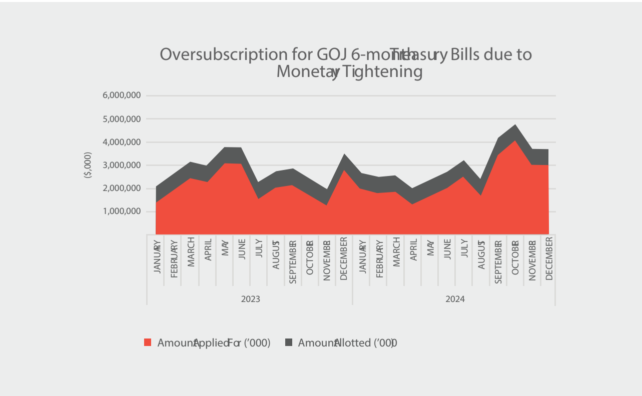
In the stock market, the JSE Combined Index, which includes the Main, Junior, and US-dominated markets, closed at 347,896.22 points by year-end. This was an increase of 2.58% from 2023. Throughout 2024, the Combined Index fluctuated, peaking at 349,700.02 points in February and hitting a low of 316,555.34 points in August. The JSE saw seven new listings, though five companies were suspended from trading due to compliance issues.

Trading volumes surged in March and April,reflecting increased investor interest.



The COP29 conference in 2024 outlined significant goals for climate finance, aiming to mobilize US$300 billion annually for developing countries by 2035, up from US$100 billion. The World Bank Group plans to increase climate finance to 45% of its total lending in fiscal year 2025. COP29 also advanced the framework for international carbon markets. The GOJ can leverage partnerships for green financing models like green bonds. The Bank of Jamaica's 2024 report on climate-related financial risks aligns with these global commitments. The JSE launched the GSS+ bond guide in Q3, which is expected to attract up to $6 billion in green investments over the next 25 years.

As of December 2024, the Financial Services Commission (FSC) reported that there were 34 licensed securities dealers operating in Jamaica. Data from 26 of these companies showed a slight increase in total balance sheet assets, which grew by 3.23% to $976.9 billion when compared to December 2023. Funds under management reached $1.78 trillion, representing a 1.91% year-on-year growth. The industry also saw a 3.45% decrease in revenue, to $82.45 billion.



Fitch Ratings upgraded Jamaica's long-term foreign currency debt rating to "BB-" with a positive outlook in 2024. This upgrade reflected the Government of Jamaica's adherence to a stable economic policy framework and focus on debt reduction, supported by the BOJ's inflation targeting. The positive outlook signaled Fitch's expectation that Jamaica's debt metrics will continue to improve. Higher credit ratings enhance Jamaica's ability to secure loans at lower interest rates, attract greater investment, and access broader funding sources.

Ratings Agency	Credit Rating Change	Outlook Change
Moody's	B1 ↔ B1	Positive ↔ Positive
S&P Global Ratings	BB- ↔ BB-	Stable ↔ Stable
Fitch Ratings	B+ ↑ BB	Positive ↔ Positive

Sources: Moody's Investors Service, S&P Global Ratings, Flitch Ratings

↑ Upgrade

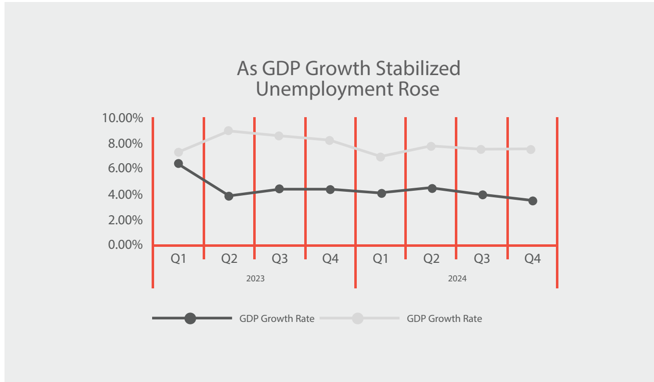
↔ Remained the Same

OVERSEAS

BARBADOS

Over the past few decades, Barbados has transitioned to an economy driven by tourism and foreign direct investment (FDI), establishing itself as a high-income nation. In 2024, despite global economic slowdowns and climatic disruptions, the economy achieved notable growth of 4.0%, primarily driven by a surge in tourism. Long-stay arrivals increased by 10.7%, boosted by events like the ICC Men's T20 World Cup, and the annual Crop Over Festival, as well as expanded airline cacacity.

Tourism has been a key driver of recovery, continuing its strong rebound for the third consecutive year since the pandemic. This growth spurred expansion in other sectors, including construction, wholesale and retail, and business services, demonstrating the interconnectedness of the economy. This broad-based growth reflects the ongoing strength of Barbados' tourism-driven economic model. Concurrently, inflation in 2024 moderated to 1.4%, aided by declining global energy and food prices, providing relief to consumers.

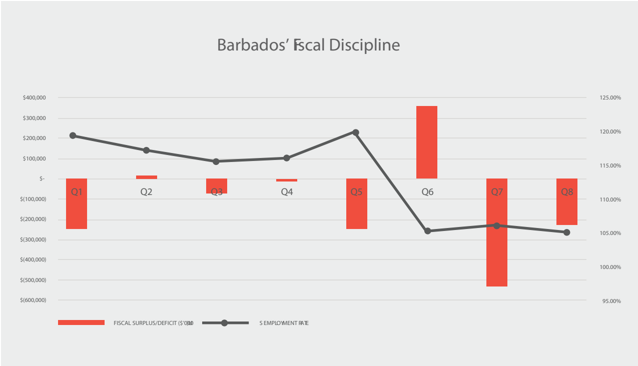


Management Discussion & Analysis

CONTINUED

Barbados' external position remained strong in 2024, with international reserves reaching US$3.2 billion by December, covering over 31 weeks of imports—well above the international benchmark of 12 weeks. The current account deficit narrowed to 4.5% of GDP by December, improving from 8.6% in 2023, translating to a deficit of approximately US$641.0 million. This improvement was driven by higher tourist arrivals and increased current transfers, though it was partially offset by a widening merchandise trade deficit.

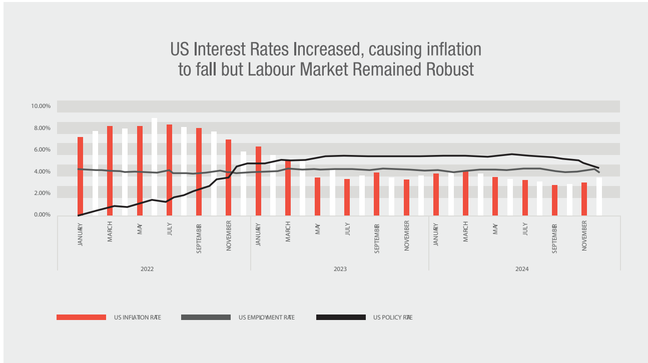
In terms of fiscal management, Barbados performed strongly with a primary surplus of B$774.1 million (5.3% of GDP) and a fiscal surplus of B$224.8 million (1.5% of GDP). Despite increased spending on rising interest payments and grants to public institutions, the government met its primary surplus target, reflecting its ability to manage external shocks and reduce reliance on new debt. By focusing on expenditure control and long-term economic strategies, Barbados minimised financing requirements and saw its debt-to-GDP ratio decline to approximately 103% by December 2024.



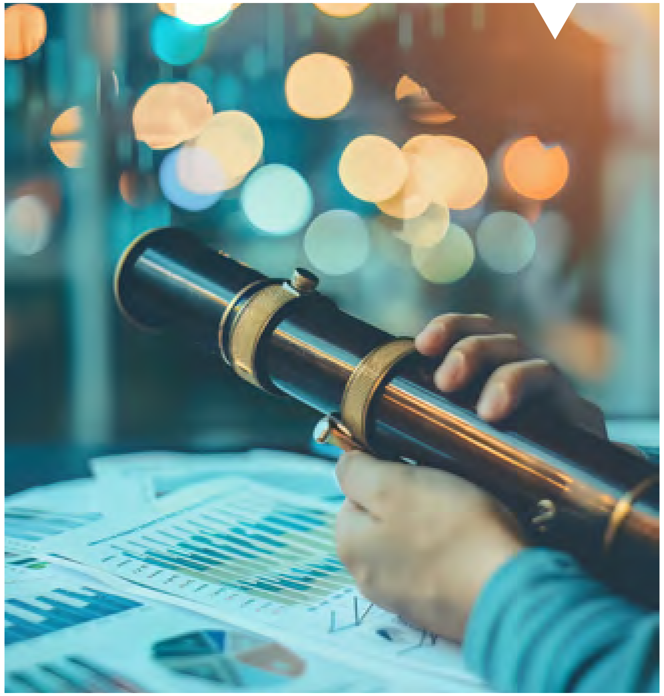
UNITED STATES

The US economy exceeded expectations in 2024, with growth driven by strong consumer spending, public sector investments, and robust non-residential investments. GDP growth was supported by increased spending, aided by receding inflation, a resilient labour market, and ongoing government initiatives.

By the end of 2024, the unemployment rate had risen to 4.1 percent, marking a 40-basis point (bps) increase from December 2023. Despite this rise, sectors like healthcare and hospitality demonstrated resilience and continued growth. These shifts reflected changing labour market dynamics influenced by evolving consumer demands and demographic trends. Inflation in the US moderated but remained a key concern in 2024. The year began with an inflation rate of 3.1 percent, which decreased to 2.9 percent by year-end due to easing supply chain disruptions and stabilised energy prices. In response to economic conditions, the Federal Reserve implemented a total of 100 bps in interest rate cuts over three phases: 50 bps in September, followed by 25 bps in both November and December. This reduced the target rate range to 4.25 percent – 4.5 percent, down from 5.25 percent – 5.5 percent. The lower rates helped reduce borrowing costs for credit cards, auto loans, and mortgages. However, the Fed's hawkish tone following the rate cuts led to a 3 percent decline in equity markets, and interest rates across the curve rose by approximately 10 bps.



Despite volatility from rate changes, US equity markets showed resilience in 2024. The S&P 500 Index posted a total return of 23.3 percent, driven by strong performances in technology, consumer discretionary, and healthcare as inflation concerns eased. The NASDAQ Composite outperformed, delivering a total return of 29.6 percent, fueled by strong earnings from tech giants like Apple, Microsoft, and Alphabet. This surge in tech stocks was driven by investor confidence in innovative sectors like AI and semiconductors, bolstered by lower interest rates. The Dow Jones Industrial Average also grew, with a total return of 16.3 percent. Strong earnings in energy, financials, and industrials supported its performance, though the index faced some pressure from interest rate adjustments.



ECONOMIC OUTLOOK FOR 2025

Global economic growth is projected at 2.8% in 2025. The global economic landscape has shifted significantly following the adoption of a protectionist “America First” strategy by US President Trump. Central to this approach is the broad implementation of tariffs against all trading partners, announced on April 2, 2025, now dubbed “Liberation Day.” This sweeping move has sparked a global tariff war, injecting a high degree of uncertainty into international trade and financial markets. Investor sentiment has deteriorated sharply in response, with market volatility surging to unprecedented levels.

In the US, the imposition of tariffs has led to rising input costs for manufacturers, disruptions to supply chains, and a sharp uptick in consumer prices. While some domestic industries may benefit in the short term from reduced foreign competition, the broader economy is facing mounting inflationary pressures and a potential slowdown in business investment. Consumer confidence has also begun to weaken amid rising costs and growing uncertainty. Analysts are increasingly revising US growth projections downward, with some forecasting the possibility of a mild recession if the trade conflict persists.

Locally, Jamaica’s economic performance will depend on its ability to navigate these global uncertainties while maintaining efforts to reduce debt levels, attract investment, and sustain growth in key sectors. The base-level tariff of 10% has been levied on our exports to the US, introducing new downside risks to our growth trajectory, already struggling to recover from the impacts of Hurricane Beryl last year. However, the specific impact on the Jamaican economy remains uncertain and will depend on how long the trade conflict persists, how global supply chains adjust, and whether local industries can pivot in response to the new environment. Added inflationary risks may hamper the BOJ’s efforts to gradually ease monetary policy.

The GOJ is still expected to prioritise fiscal consolidation in 2025, with a focus on reducing the fiscal deficit while fostering growth. Efforts are expected to focus on improving tax collection efficiency, optimising government spending, and managing public sector wages to ensure fiscal sustainability.

The global and local economic landscapes in 2025 present a complex mix of challenges and opportunities, shaped by various factors such as geopolitical developments, central bank policies, climate actions, and ongoing economic trends. While the 2025 landscape is marked by uncertainty, it offers avenues for strategic adaptation and growth. By closely monitoring geopolitical shifts, we will navigate these challenges and harness opportunities for long-term success through flexibility and foresight.

Management Discussion & Analysis

CONTINUED

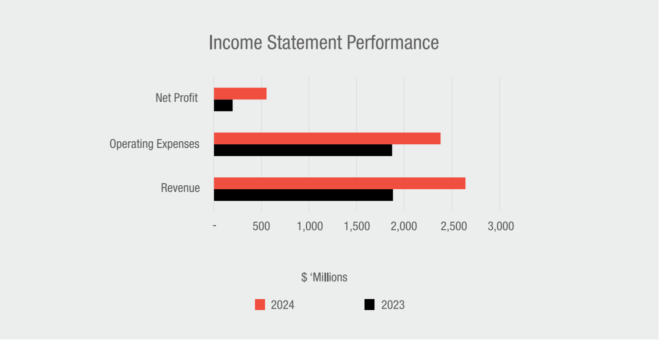
Member	Variable	2022	2023	2024E	2025F	2026F
Jamaica	GDP Growth Rate (%)	5.20	2.60	0.80	1.00	1.00
	BOJ Policy Rate (%)	7.00	7.00	6.00	6.00	6.00
	Debt-to-GDP (%)	94.70	74.2	68.0	64.0	64.0
	Current Account Balance as a % of GDP	-0.80	2.90	1.60	0.50	-0.30
	Inflation Rate (%)	9.35	7.50	4.97	5.00	4.80
	Unemployment Rate (%)	6.60	4.40	2.90	3.70	3.50
	NIR (US $M)	3,968.90	4,758.20	5,583.70	5,600.00	5,700.00
Barbados	GDP Growth Rate (%)	16.30	4.20	4.00	2.8	2.3
	CBB Policy Rate (%)	2.00	2.00	2.00	2.00	2.00
	Debt-to-GDP (%)	112.30	109.80	103.00	101.80	96.30
	Current Account Balance as a % of GDP	-9.90	-8.60	-4.50	-6.20	-5.70
	Inflation Rate (%)	4.30	3.20	1.40	2.80	2.30
	Unemployment Rate (%)	8.40	8.30	7.10	7.60	8.00
	Gross Reserves (US $M)	1,770.30	2,999.50	3,184.30	n/a	n/a
US	GDP Growth Rate (%)	2.10	2.90	2.50	1.80	2.20
	Fed Funds Rate (%)	4.50	5.50	4.50	4.00	3.50
	Inflation Rate (%)	6.50	3.40	2.90	3.00	2.30
	Unemployment Rate (%)	3.50	3.80	4.10	4.40	4.30

Sources: Ministry of Finance and Planning, Bank of Jamaica, Statistical Institute of Jamaica, Central Bank of Barbados, Barbados Statistical Services, Bloomberg, World Bank, US Bureau of Labor Statistics, US Federal Reserve

Financial Performance

VMIL delivered a strong financial performance for the year ended December 31, 2024, with significant improvements in revenue growth, profitability, and asset base. This performance was driven by robust investment valuations, increased fee and commission income, and enhanced operational efficiencies. We continued to build on the prior year's investment and cost rationalisation strategies to offset the implications of a challenging financial market.

VMIL reported revenue of $2.6 billion for the 2024 financial year, representing a 40.42% increase from the prior year. This was primarily attributed to a $571.0 million increase in gains from investment activities, including a gain on the sale of Carilend, which contributed $422.3 million. To our advantage, more proactive management of interest spreads improved our net interest income by 216.60%, increasing from $47.82 million to $151.40 million. This was mainly supported by higher interest income on investment securities, complemented by lower interest expense generally and growth in interest-generating assets. Our net interest margin improved to 0.59%.



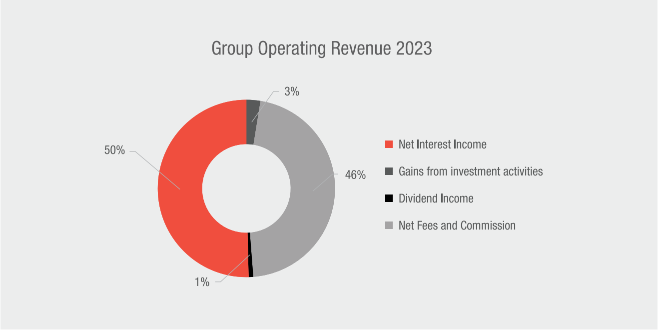
OPERATING REVENUE

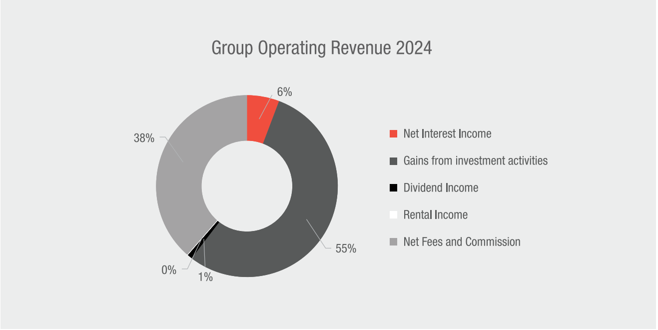
VMIL's operating revenue growth was primarily driven by strong gains from investment activities and improved dividend income. Investment gains surged 65.9% to $1.44 billion from $866.3 million in 2023.

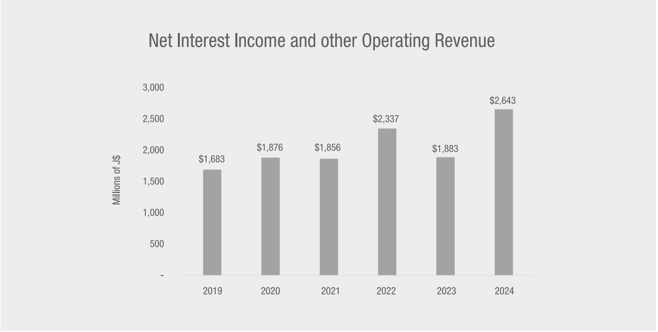
Net fees and commissions totalled $1.0 billion up 7.4% from $944.9 million in 2023. This was a reflection of the consistent work ofthe team under this key pillar of our financial performance. Notably, we facilitated a major client trade in September. The Trading Team concluded and executed the transaction that had been in motion since November 2023 and was valued in excess of $11 Billion in local equity.

Other income rose to $13.7 million, compared to $7.9 million in 2023, showing a strong recovery in miscellaneous revenue sources.

Overall, the increase in investment-related revenue was the primary driver of growth in operating revenue for 2024, reflecting our ability to leverage market opportunities while maintaining stable fee-based income streams.







Financial Performance

CONTINUED

OPERATING EXPENSES

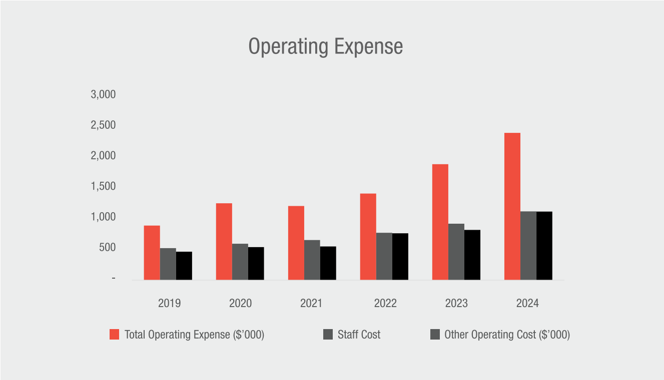
VMIL's total operating expenses for 2024 amounted to $2.38 billion, reflecting a 27.14% increase from $1.87 billion in 2023.

In 2024, we invested significantly in our talent pool, recognizing that a highly skilled and engaged workforce is critical to achieving long-term growth and operational excellence. As a result, staff costs increased by 21.6% to $1.11 billion, reflecting our commitment to attracting, retaining, and developing top-tier professionals.

A key driver of this increase was our focus on talent acquisition, as we expanded our team in key areas such as investment management, corporate finance, client experience, quality assurance, and digital transformation. These strategic hires have strengthened our capacity to execute complex transactions, enhance regulatory oversight, accelerate innovation within our operations and support business expansion and operational efficiency.

Impairment provisions increased to $163.9 million in 2024,from $150.4 million in 2023, representing a 8.97% increase as collections on our margin loan portfolio deteriorated dur to tighter client liquidity. We remain committed to client engagement and collateral enforcement to mitigate future exposure.

Other operating expenses rose by 36.7% to $1.11 billion, compared to $810.7 million in 2023, influenced by higher administrative costs, marketing and business development expenses to enhance operational capabilities.



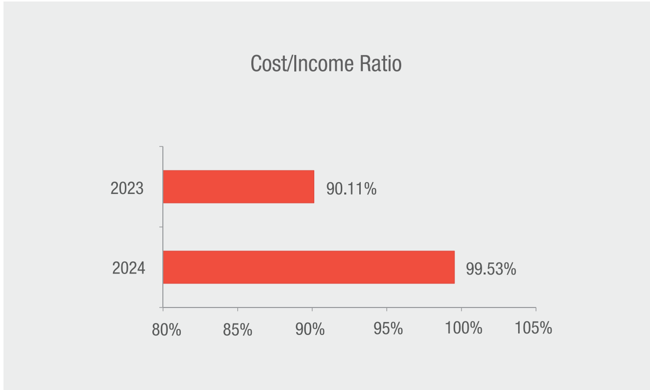
EFFICIENCY RATIO

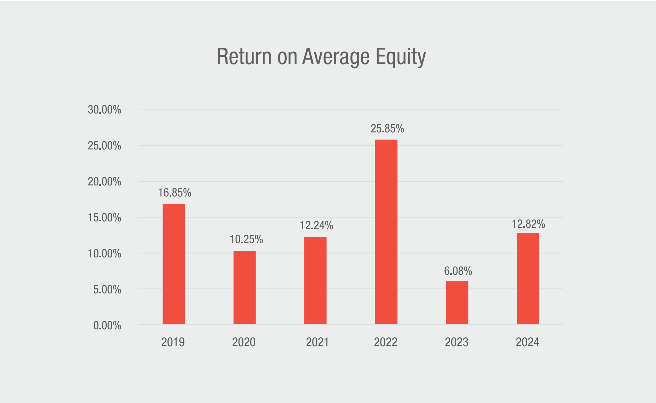
VMIL maintained a disciplined approach to expense management in 2024. The cost to income efficiency ratio improved to 90% in 2024, compared to 99% in 2023, indicating an improved capacity to generate more revenue per dollar of expense, a positive sign of improving cost efficiency. The ongoing focus on digital transformation, process automation, and revenue diversification is expected to further enhance operational efficiency in the coming years.

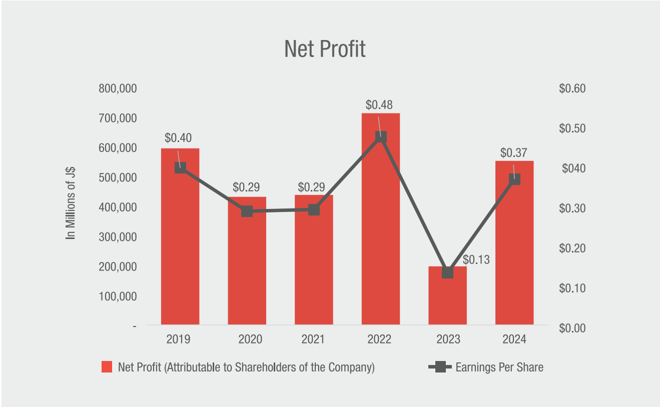
PROFITABILITY

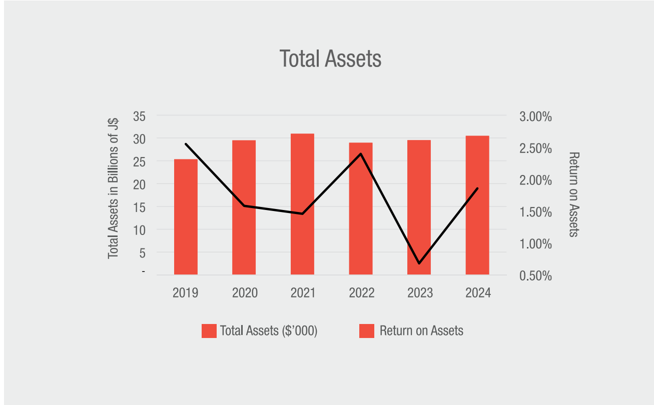
VMIL's Profit Before Tax (PBT) surged to $454.68 million, a significant 162.4% improvement over the $173.3 million recorded in 2023. VMIL's share of profits from associates stood at $193.4 million, 17.6% up from $164.4 million, reinforcing the value of strategic partnerships and equity investments.

Net Profit After Tax (NPAT) more than doubled, reaching $555.7 million, up 179.5% from $198.8 million in the prior year. Return on Equity (ROE) improved to 12.8%, compared to 6.1% in 2023, while retained earnings grew 13.8%.









Meanwhile, Return on Assets (ROA) increased to 1.9% from 0.7%, as asset utilization improved alongside revenue growth.

Earnings Per Share (EPS) climbed to $0.37 per share, a substantial increase from $0.13 per share in 2023, underscoring our improved profitability and our ability to enhance shareholder value.

ASSET BASE

VMIL continued to strengthen its asset base in 2024, reflecting a strategic focus on liquidity management, investment growth, and prudent risk management. Total assets increased by 3.2%, rising from $29.51 billion in 2023 to $30.46 billion in 2024. Investment securities, the largest component of our asset base, grew by 6.5% to $19.47 billion, up from $18.28 billion. This expansion was driven by strategic portfolio allocations aimed at optimizing returns amid evolving market conditions. Loans receivable declined by 11.8%, falling from $4.65 billion to $4.10 billion, reflecting a cautious approach to credit risk management. Meanwhile, resale agreements decreased by 45.1%, from $1.57 billion to $861.8 million, as part of a broader strategy to rebalance short-term asset allocations.

Interest in associates grew modestly to $1.87 billion, up from $1.72 billion.

Overall, our asset composition remains well-diversified, balancing liquidity, investment growth, and risk management to support long-term profitability and shareholder value.

Financial Performance

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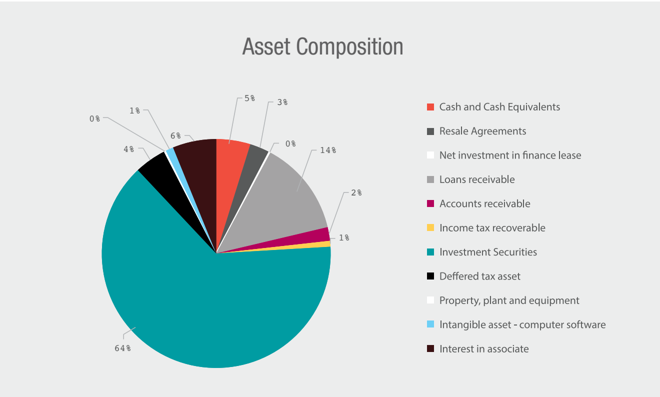
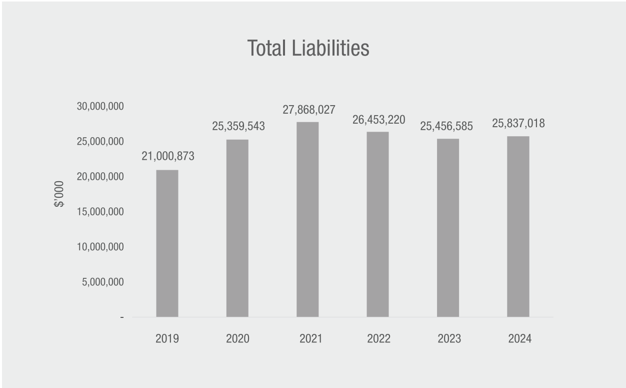
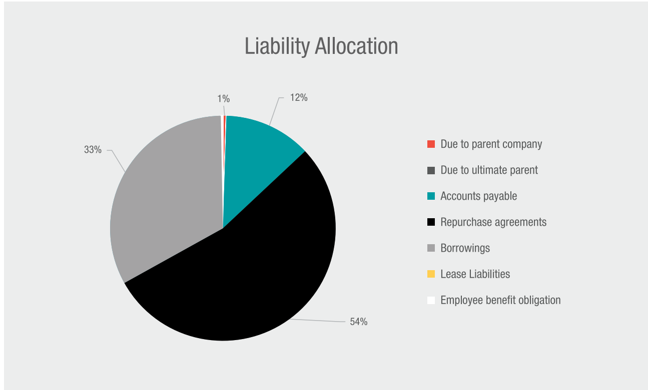






TOTAL LIABILITIES & SHAREHOLDERS' EQUITY

Total liabilities increased modestly by 1.5% to $25.84 billion from $25.46 billion in 2023, primarily driven by an increase in customer accounts payable, which rose from $1.18 billion to $2.34 billion, reflecting increased client activity and transactional volume. $1.3 billion of this also reflected timing of our public bond refinancing, which took place over the period December 19, 2024, to January 10, 2025.

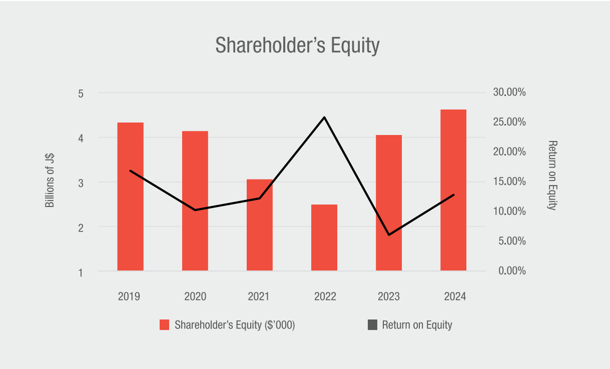
Repurchase agreements, our largest liability component, remained relatively stable at $13.93 billion, compared to $14.36 billion in 2023, demonstrating continued confidence from mainly institutional counterparties. Borrowings decreased by 2.2%, from $8.66 billion to $8.47 billion, as we strategically managed debt levels to optimize funding costs.

Meanwhile, on the equity side, our shareholders' equity grew by 14.0%, reaching $4.62 billion, up from $4.05 billion. This was supported by a 13.8% increase in retained earnings, which rose to $3.06 billion from $2.69 billion, reflecting our improved profitability. The investment revaluation reserve showed a slight recovery, moving from ($980.6) million to ($791.5) million, driven by the gradual rebound in the fair value of investment securities.

CAPITAL MANAGEMENT

VMIL maintained a strong capital structure in 2024. Our capital remained adequate, reinforcing our financial stability and ability to support future growth. Overall, our iability management strategy and growing equity base reflect a well-balanced financial position, ensuring resilience and flexibility to navigate market conditions while delivering value to stakeholders.

VMWM capital adequacy ratio as at December 2024 was 22.69%, sitting comfortably above the regulatory requirement outlined under the capital adequacy framework. The ratio is a metric used to evaluate the financial standing of the institution. A minimum ratio of 10% should be maintained between its capital base and the total of its foreign exchange exposure-related risk-weighted assets and balance sheet assets.



"Return on Equity rose to 12.8% in 2024, nearly double the prior year's performance."

LIQUIDITY AND FUNDING

VMIL maintained a solid liquidity position in 2024, ensuring our ability to meet short-term obligations while optimizing our funding sources. Cash and cash equivalents increased by 67.4% to $1.47 billion, up from $877.7 million in 2023, reflecting improved cash flow management and operational efficiency.

Investment securities grew by 6.5% to $19.47 billion, reinforcing our commitment to maintaining a diversified and liquid investment portfolio.

VMIL's interest coverage ratio increased from 1.43x in 2023 to 1.51x in 2024, indicating a modest improvement in our ability to cover interest expenses from operating earnings. This reflects higher earnings before interest and taxes (EBIT) relative to interest costs.

On the funding side, total borrowings declined by 2.2% to $8.47 billion, reflecting strategic deleveraging efforts. However, repurchase agreements remained relatively stable at $13.93 billion, underscoring their role as a key funding source. Customer and broker payables also increased, with customer payables almost doubling to $2.34 billion, suggesting higher trading activity or client-related liabilities.

The approach to managing funding and liabilities remained consistent, ensuring sufficient liquidity to meet financial obligations. VMIL employs prudent liquidity risk management practices, such as keeping an adequate amount of cash and marketable securities on hand, regularly assessing future cash flows and liquidity, and maintaining a lines of credit with reliable financial institutions.

Financial Performance

CONTINUED

DIVIDENDS

In 2024, we resumed dividend payments after a two-year hiatus in 2022 and 2023, reflecting our strengthened financial position and commitment to shareholder returns. We declared and paid two interim dividends during the year: $0.032 per share in July 2024 and $0.053 per share in December 2024. This resumption of dividends underscores our improved profitability and ability to return value to shareholders. We remain focused on balancing reinvestment for growth with delivering consistent shareholder value, ensuring a sustainable approach to future dividend distributions.

OFF-BALANCE SHEET FUNDS UNDER MANAGEMENT

VMIL's major subsidiary, VMWM acts as agent and earns fees for managing clients' funds on a non-recourse basis under a management agreement. As at December 31, 2024, these funds amounted to $37.41 Billion compared to $31.76 Billion in 2023. Additionally, as at December 31, 2024, there were custodial arrangements for assets totaling $55.27 Billion compared to $50.80 Billion in 2023.

VMWM's Unit Trust Portfolios had mixed results during the year. VMWM was able to grow its Assets Under Management primarily through the performance of its Unit Trust portfolios and Portfolio Management Products. The leading performer of the Unit Trust portfolios was the VM Wealth Classic Property Portfolio which grew by 13.25%. This was followed by the VM Wealth Global Equity Growth Portfolio which returned 11.17% and the VM Wealth Classic Equity Growth Portfolio which returned 9.65%. The local fixed income fund exhibited a return of 4.60%.

Enterprise Risk Management

RISK PROCESS

The scope and nature of VM Investments Limited's business operations exposes the business to risks as we pursue our strategic objectives and initiatives. Enterprise Risk Management at VMIL is an interactive and iterative process that is aligned to international best practice standards and continues to evolve as new and emerging risk exposures that either represent a threat to the achievement of strategic objectives, or an opportunity to gain a competitive advantage are identified and managed.

While risks are proactively identified and managed at VMIL, they are also communicated throughout different levels of the organization to ensure that an optimal balance between risk and return is achieved, to maximize value and minimize potential adverse effects on our performance, brand, and team engagement. This is supported by innovative risk solutions and methodologies to ensure that risks are adequately managed, throughout the three lines of accountability.

RISK GOVERNANCE

At VMIL, the Board of Directors has ultimate oversight and responsibility for risks and has fiduciary responsibility to our stakeholders. The Board is supported by the VMIL Audit, Risk and Conduct Review Committee (ARCRC), which oversees our risk management framework, the integrity of the financial statements, compliance with legal and regulatory requirements, as well as the performance of the internal audit function. Whilst the Board has overall responsibility for risk management, and VMIL's alignment with established risk appetite statements and tolerance limits, the Board, in addition to the ARCRC described above, is supported by the:

- VM Group Finance and Risk Management Committee
- VM Group Audit Committee
- VM Group Corporate Governance and Nominations Committee
- VMIL Corporate Governance, Nominations and Compensation Committee
- VMIL Finance Committee

RISK MANAGEMENT FRAMEWORK

Our ERM Framework is robust and facilitative of growth and risk management is an integral part of internal controls and corporate governance. The Board is responsible for ensuring that an effective risk management framework is in place and promoting a risk-aware culture that ensures that all key risks are adequately managed.

To safeguard and protect VMIL's reputation, the Board and management ensure that there is a well-established decision-making process, direct reporting lines with clarity of roles and responsibilities, defined codes of ethics and conduct, periodic monitoring of stakeholder and media analysis, industry and market benchmarking, transparent disclosures, and communications.
Risk assessments are conducted monthly and designed to identify events that can cause strategic objectives and initiatives to deviate from what is expected.

COMPONENTS AND PRINCIPLES

The ERM Framework at VMIL consists of five interrelated components and twenty related principles, which represent the fundamental concepts associated with each component.

Enterprise Risk Management

CONTINUED

Mission, Vision & Core Values	Strategy Development	Business Objective Formulation	Implementation & Performance	Enhanced Value
Governance & Culture	**Strategy and Objective-Setting**	**Performance**	**Review and Revision**	**Information, Communication & Reporting**
1. Exercises Board Risk Oversight 2. Establishes Operating Structures 3. Defines Desired Culture 4. Demonstrates Commitment to Core Values 5. Attracts, Develops, and Retains Capable Individuals	6. Analyzes Business Context 7. Defines Risk Appetite 8. Evaluates Alternative Strategies 9. Formulates Business Objectives	10. Identifies Risk 11. Assesses Severity of Risk 12. Prioritizes Risks 13. Implements Risk Responses 14. Develops Portfolio View	15. Assesses Substantial Change 16. Reviews Risk and Performance 17. Pursues improvement in Enterprise Risk Management	18. Leverages Information and Technology 19. Communicates Risk Information 20. Reports on Risk, Culture and Performance

GOVERNANCE AND CULTURE

Governance and culture together form a basis for all other components of ERM. Governance sets VMIL's tone, reinforcing the importance of ERM, and establishing oversight responsibilities.

STRATEGY AND OBJECTIVE-SETTING

ERM is integrated into VMIL's strategic plan through the process of setting strategy and business objectives. Our risk appetite is set in conjunction with strategy-setting and strategy setting, is a risk-infused process.

PERFORMANCE

VMIL identifies and assesses risks that may affect the achievement of strategy and business objectives by utilizing approaches that are either qualitative, quantitative, or a combination of both. Risks are prioritized according to their severity with consideration for established risk appetites. We then select risk responses and monitor performance for change. In this way, we develop a portfolio view of the amount of risk we have assumed in the pursuit of our strategy and business objectives.

REVIEW AND REVISION

By reviewing ERM capabilities and practices, and performance relative to our targets, We consider how well the ERM capabilities and practices have increased value over time and will continue to drive value, particularly if there are substantial changes.

INFORMATION, COMMUNICATION, AND REPORTING

Management uses relevant information from both internal and external sources to support ERM. We leverage information systems to capture, process, and manage data and information. By using information that applies to all components, we report on risk, culture, and performance.

THREE LINES OF DEFENSE

First Line

Accountable for a risk area (process, application, asset, information, etc)

Identify, assess, manage, mitigate & report on risk

Second Line

Interprets regulations and communicate to Strategic Business Unit

Monitors compliance with regulation and policies

Advices on regulatory issues

Designs and deploys the overall risk management framework

Monitors adherence to framework

Risk Reporting and escalation

Maintains risk policies

Third Line

Provides independent testing and verification

Validates the overall risk framework

Provides assurance that the risk management process is functioning as designed

Enterprise Risk Management

CONTINUED

FIRST LINE
CORE BUSINESS

Management is responsible for identifying and managing the performance and risks resulting from practices and systems for which we are accountable. The first line is also responsible for the risks inherent to the strategy and business objectives. As the principal owners of risk, management sets business objectives, establishes acceptable variation in performance, trains personnel, and reinforces risk responses. In short, the first line implements and carries out the day-to-day tasks to manage performance and risks taken to achieve strategy and business objectives.

SECOND LINE
SUPPORT FUNCTIONS

Support functions include management and personnel responsible for overseeing performance and enterprise risk management. They provide guidance on performance and ERM requirements and evaluate adherence to defined standards. Each of these functions has some degree of independence from the first line, and they challenge the first line to manage performance and take prudent risks to achieve strategy and business objectives. These operating units support the organization through specialised skills, such as technical risk management expertise, finance, product/service quality management, technology, compliance, legal, human resources, and others. As management functions, they may intervene directly in modifying and supporting the first line, in appropriate risk response.

THIRD LINE
ASSURANCE FUNCTIONS

Internal audit provides the last line of defence by performing audits or reviews of ERM practices, identifying issues and improvement opportunities, making recommendations, and keeping the Board and senior leaders up-to-date on matters requiring resolution. Two factors distinguish the third line of defence from the others: the high level of independence and objectivity, and the authority to evaluate and make recommendations to management on the design and operating effectiveness of the organization overall.

> "This strong risk culture drives how Team Members approach their work and also guides decision-making."

RISK CULTURE

Risks are inherent in everyday activities. Therefore, we establish our risk appetite and our risk tolerance limits in order for appropriate risk taking to occur so that we can make informed risk decisions, innovate and be competitive. In pursuit of our strategic objectives and initiatives, We utilize systems and subject matter experts to determine an appropriate balance between expected return and potential associated risks.

The Board has created an environment for Team Members where integrity, teamwork, innovation, excellence, accountability, and client interests are at the centre of our values and practices. This strong risk culture drives how Team Members approach their work and also guides decision-making.

RISK APPETITIE

Overall, we take a conservative approach to risk and maintain our risk exposure between tolerable limits that have been set by our management team and approved by our Board. We are guided by the following key principles:

- Maintaining the highest ethical and professional standards when dealing with all stakeholders.
- Considering the needs of our clients and seeking to serve the communities in which we operate.
- Protecting our capital base. We avoid strategies, products or services that place our long-term value at risk.

- Maintaining a robust enterprise risk management system to effectively identify, assess and manage existing and emerging risks.

KEY RISKS

Financial Risk - is an umbrella term for multiple types of risks including market, liquidity and credit risk that stem from weak credit management, poor financial strategy assessment, and ineffective cash flow and cost management. These issues can hinder our ability to maximize cash availability, minimize financial uncertainties (e.g., currency or interest rate risks), and efficiently move funds where needed without loss.

a) Market Risks the risk that the fair value of future cash flows of financial instruments will fluctuate because of changes in market prices, whether caused by factors specific to the individual security or its issuer or factors generally affecting securities in the market. These arise from changes in interest rates, foreign exchange rates and equity prices and affect the value of the holding in the financial instrument.

b) Liquidity Risk the risk of failing to meet commitments to provide funds to customers and other parties. We monitor our funding to mitigate against concentration in future maturities, enhancing our ability to refinance maturing liabilities. We manage liquidity and funding risk to ensure sufficient liquid resources are available to cover cash flow mismatch and/or fluctuation, even during stressful economic environments. VMIL also has a contingency funding plan in place to cope with any extreme or sudden outflows.

b) Credit Risk the risk of financial loss if a counterparty to a financial instrument fails to meet obligations when they fall due. VMIL faces credit risk from our lending operations and treasury investments with counterparties. The credit portfolio is managed in accordance with VMIL's Credit Policy and underwriting criteria, which is reviewed at least annually by the Board and contains detailed limits on the amounts and types of lending that we can undertake. Treasury counterparty risks and new investments are managed primarily by investing in counterparties which meet the scoring criteria stipulated in our Counterparty Credit Risk Policy. VMIL limits exposures to counterparties, investment types and investment sizes in accordance with our Investment Policy guidelines and the Counterparty Credit Risk Policy.

Strategic Risk - The risk of loss arising from VMIL adopting the wrong business strategy, failing to properly execute business strategy, or responding to industry, economy, or technological changes.

We aim to mitigate strategic risk through an integrated business strategy, risk appetite and capital planning process; tracking strategic initiatives and deliverables; and through the regular review of strategic objectives and initiatives by management and the Board.

Operational Risk - The risk of loss resulting from inadequate or failed internal processes, people, and systems or from external events which are neither market-related nor credit related.

VMIL maintains strong controls across the three lines of defense, recognizing that early risk detection leads to more effective mitigation. Regular assessments of operational risks support sound management, while ongoing investment in regulatory compliance, technology, skills, and processes ensures we remain risk-ready. People risk is addressed through robust onboarding and talent management, and customer service development is prioritized. VMIL proactively defends against external threats, particularly cyberattacks targeting system access and data integrity.

Compliance Risk - The risk of exposure to legal penalties, financial forfeiture, and material loss an organization faces when it fails to act in accordance with accepted corporate governance standards, the law and regulations, internal policies or prescribed best practices.

VMIL's regulatory risk framework outlines the governing processes, which aim to ensure that we deliver fair customer outcomes and meet prudential requirements.

Our Risk and Compliance function is responsible for identifying regulatory developments and assisting team members in understanding required regulatory changes, within requisite timelines.

Overview of Business Lines

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WITH $37.4B IN OFF-BALANCE SHEET FUNDS UNDER MANAGEMENT, OUR REACH AND IMPACT CONTINUE TO EXPAND.

Overview of Business Lines

CAPITAL MARKETS

The financial year 2024 was characterized by high interest rates that impacted borrowing costs and activities in the local equities market. As investors flocked to high-yield fixed income assets rather than pursuing long-term gains in the stock market, the Bank of Jamaica's policy rate declined by 100 basis points to 6.0%. Consequently, the average yield on 180-day Treasury Bills ended the year at just over 6.0%. Borrowers were required to pay premiums above this rate of 500 – 700 bps to access financing. For many would-be borrowers and issuers, these costs were still unattractive, often rivalling the potential returns on investments made using borrowed funds.

Despite these conditions, we celebrated several successes, including the successful closure of our second private equity-type deal, financing Stationery World and Book Centre Limited. VMIL invested in this convertible bond structure and is expecting to make our exit once the company offers its shares for initial public offering (IPO) on the stock exchange. Additionally, we successfully refinanced bond maturities of approximately US$10 million for ICR Holdings Limited. Another notable success was the launch of our proprietary margin loan tool, which will enhance our ability to administer margin loans and improve the experience for our clients by providing timely information related to these loans.

For the financial year 2024, fee income declined by 36%. While the macroeconomic environment posed challenges for the Capital Markets Unit in growing fee income, the business also battled with fierce competition within the industry.

The outlook for 2025 is one of cautious optimism based on a few significant factors, including the point-to-point inflation rate settling in the middle of the target range of 4.0% – 6.0%. The BOJ appears committed to reducing interest rates as inflation trends downwards, with the US Treasury adopting a similar approach. However, the US Treasury is widely expected to hold off on further interest rate reductions in 2025 due to reemerging inflation concerns, so BOJ may adopt a similar stance, posing a threat to continued interest rate reductions.

In 2025, our team is proactively working on strategies to generate fee income outside of new issuances, refinancing, and IPOs. These strategies include executing more structured product assets and securitizing assets and cash flows for distribution to local and regional asset managers seeking diversification. To implement this strategy, we are focused on building the team's capacity to execute these structures and originate deals.

BOND, EQUITY & DIGITAL ASSETS TRADING

In 2024, a year of resurgence, global stock markets soared to record highs, driven by easing policy rates, AI-fueled optimism, and strong earnings, despite geopolitical tensions and election uncertainties.

The "Magnificent 7" tech stocks—Microsoft, Apple, Nvidia, Alphabet, Amazon, Meta, and Tesla—led the charge, delivering 63% returns after a 75% surge in 2023. Anticipation of lower interest rates, confidence in AI, and strong earnings pushed major indices to new records. The Nasdaq ended 2024 up 29%, the S&P 500 rose 23%, and the Dow Jones industrial Average gained 13%.

The JSE combined market recovered, rising 2.58% after an 8% decline in 2023. Meanwhile, the Jamaican government raised the Junior Market's maximum capital threshold from $500 million to $750 million, facilitating greater capital access for MSMEs.

Overview of Business Lines

CONTINUED

VM Wealth Management's trading team expanded with the addition of a Senior Trader and Trader, allowing for more specialization and capitalising on market opportunities. As a result, VMWM secured 3rd place in value traded and 4th in volume among 14 brokerages. Through training and other programmes targeting the development of technical skills, strategies and risk management frameworks, the capacity of the team was further bolstered.

Looking ahead, we will build on 2024's momentum to drive revenue growth and expand into Digital Assets Trading. By staying adaptive and client-focused, VM Wealth Management remains committed to advancing financial well-being and market leadership.

VM WEALTH FUNDS (BARBADOS)

On January 19, 2024, VMIL purchased the Republic Funds and subsequently rebranded them as our own VM Wealth Funds. From early, we sought to cement our position in the Barbados investment space by fostering deep bonds through conversations with key stakeholders and ministers in the financial and investment sectors. It was paramount that we also solidified that, while new to Barbados, VM Wealth Management had a storied history in Jamaica and the diaspora.

Sean Yearwood, Country Head - VM Wealth Management Barbados Office.

Building on the momentum of the launch event, VM's Leadership Team and Board Members engaged regulators, brokers, and key stakeholders to gain insights into the economic and investment landscape and explore ways VM could add value in the market.

The VM team engaged in a meaningful discussion with the leadership of the Barbados Central Securities Depository

MAJOR WINS

Income Fund dominated in its fund class as at November 2024

Sean Yearwood introduced the Day 1 Keynote Speaker, Senator Chad Blackman at BIBA's Global Business Week. This was an opportunity to introduce the VM brand to international businesses operating within Barbados to build relationships.

The Business and Bites forum was another opportunity to increase brand awareness during the first year of operation and our Country Head was the guest speaker and focused on medium and small enterprises.

The principal focus for 2025 is business development and strategic partnerships, with a strong emphasis on inorganic growth through acquisitions and referral collaborations. A key objective is to expand the mutual fund business by leveraging these partnerships, facilitating a deeper presence in the southern Caribbean market.

TREASURY AND ASSET MANAGEMENT

2024 was a challenging year for financial markets, with persistently high interest rates both locally and in the US dominating much of the year. Inflation remained a key driver, despite rate cuts in the latter part of the year.

Despite market volatility, the JSE showed resilience, with the Main Market up 3.1% and the Junior Market up 2.9%, driven largely by gains in the final quarter. In the US, the S&P 500 delivered a total return of 23%. However, corporate defaults throughout the year impacted certain investment funds and institutions.

The Unit expanded its Assets Under Management (AUM), driven by strong performance in Unit Trusts and Portfolio Management Products. The standout performer was the VM Wealth Classic Property Portfolio, yielding 13.25%, followed by VM Wealth Global Equity Growth Portfolio at 11.17% and VM Wealth Classic Equity Growth Portfolio at 9.65%. The local fixed-income fund delivered a 4.60% return, though U.S. dollar fixed-income funds faced some challenges due to defaults, which were actively mitigated.

We strengthened our team with key talent additions expected to enhance portfolio returns and improve both internal and external client service. Additionally, VMWM submitted a request to the Financial Services Commission (FSC) to launch a Non-Diversified Fund, designed to accommodate larger real estate investments before executing exits.

Overview of Business Lines

CONTINUED

The Treasury team made significant strides in optimizing repo products and improving operational efficiency. Key initiatives included:

- Repo Product Adjustment: Minimum tenor for repos below US$50K and J$5M was extended from 180 days to one year. This transition reduced processing fees and improved efficiency.
- Improved Spreads: We improved our JMD spread from -1.40% in December 2023 to 0.13% by December 2024.

KEY INITIATIVES FOR 2025

- Optimise Repo Book: Continue to move funds off repo to re-allocate capital to higher yielding opportunities.
- Bond Market Strategy: A cautious re-entry into the bond market will be essential to balance risk and capture potential gains from continued monetary easing.
- Repo Strategy & Liquidity Management: Securing higher-earning repo-eligible corporate bonds will enhance spreads and support trading gains.
- Maintain Competitive Repo rates to sustain client engagement.
- Expand Foreign Exchange (FX) Trading Capabilities by aligning FX limits with BOJ recommendations.

While 2024 posed challenges, strategic adjustments in bond positioning, FX trading, and liquidity management have positioned the Treasury and Asset Management Unit for stronger performance in 2025. With stabilising inflation, improved monetary conditions, and a focus on revenue-driving initiatives, we are poised for continued growth and profitability.

"From Jamaica to Barbados, VMIL is expanding its regional footprint with strategic investments and client growth."

Our Operations

INFORMATION COMMUNICATION TECHNOLOGY (ICT)

The ICT Unit plays a vital role in enabling and supporting the organisation's digital transformation initiatives, ensuring the efficient and effective use of technology to drive innovation and enhance productivity.

During the year, the ICT Unit successfully completed several infrastructure upgrades, including network enhancements, server virtualisation, and data centre consolidation. These improvements have resulted in increased network performance and enhanced security.

The ICT Unit supported the implementation of various critical systems that delivered new or updated products and services to our clients and improved the productivity and efficiency of our internal team members and business units.

For the year January to December 2024, the ICT Team supported the business in launching the Barbados Wealth Management system.

The Team has made considerable progress in enabling the organisation's mission. Through infrastructure upgrades, system implementations, cybersecurity enhancements, the ICT Unit has played a pivotal role in improving operational efficiency, and ensuring the organisation remains competitive in a rapidly changing technological landscape. Looking ahead, the ICT Unit is committed to embracing emerging technologies, addressing challenges, and delivering value to the organization through strategic IT initiatives.

INFORMATION SECURITY

Information and Cyber Security remains a top concern for business leaders both locally and internationally. Financial institutions continued to be in the forefront of the industries that faced attacks of entities/individuals seeking to take advantage of the digital push and compromise personal and financial information as well as committing fraudulent transactions.

VMIL understands the Information/Cyber Security and Data Protection risks of the environment in which we operate and we are committed to the mitigation of these risks. We have implemented the requisite policies, procedures and technologies, provided training for team members and continue to be in compliance with reviews and monitoring.

We regard Information and Cyber Security, and Data Protection as an important management issue and with the full support of the Board and Executive Leadership we seek to respond to today's increasingly sophisticated and diverse cyberattacks and provide a secure environment for our clients and team members.

The most significant challenges faced in information security in 2024 were the fallout from breaches suffered by some of the global partners with whom there are integrations. The Information Security and ICT teams spent significant time installing updates/patches, conducting threat hunting exercises as well as validation and verification that the organisation did not suffer breaches because of the increased threats faced.

As the year progressed email phishing attacks increased as attackers sought to use this as a tool to compromise our network. The use of AI by attackers proved challenging as it became increasingly difficult to distinguish between legitimate requests and fictitious ones.

Our responses focused on the implementation and updating of several technologies, policies, and procedures. These included:

- Removal of outdated and unpatched systems and applications
- Upgrade of the firewalls across the network
- Frequent testing and compliance reviews (Including Vulnerability and Penetration Testing)
- Periodic Risk Assessment and Reviews
- Conducting Proactive Threat Hunting Exercises
- Implementation of Phishing Simulation exercises

Our Operations

CONTINUED

Training and sensitisation of our Team Members continued to be a significant area of focus to mitigate against Information Security threats.

Training in 2024 focused around:
- Data Privacy and Protection
- Identifying and Protecting against Phishing Emails

For 2025, the major plan is implementing new and modern technologies and upgrades to existing systems and applications to improve the security of our members and team members' information.

VMIL remains committed to providing as secure, as is possible, an environment in which clients can safely transact business and team members can confidently deliver client enhancing services.

RESEARCH, BUSINESS PLANNING & INVESTOR RELATIONS

The Research, Business Planning & Investor Relations Department plays a pivotal role in aligning organisational strategy with market realities and ensuring effective communication with stakeholders. Internally, we provide leadership with actionable insights, support strategic planning, align departmental efforts, and foster transparency to ensure organizational success. The team supports revenue generation by analyzing market trends, competitor activities, and industry developments, as well as conducting economic forecasting. Externally, we maintain clear communication with investors, clients, and the broader public, while aligning VMIL's actions with stakeholder expectations and societal goals. We also evaluate opportunities, ensuring alignment with organisational and client goals, playing a critical part in informing internal strategies and enhancing external stakeholder confidence.

Throughout the year, we refined our equity valuation methodologies to enhance accuracy and relevance, ensuring our analyses were aligned with the evolving dynamics of a weak investment market. Notably, we released our top 10 equity picks for the year, providing a strategic guide for investors. By year's end, our selections, on average, outperformed the local market, demonstrating the strength and reliability of our research-driven approach.

TOP 10 STOCK PICKS FOR 2024

Company Name	Ticker	Capital Appreciation
TransJamaican Highway	TJH	70.85%
Wigton Energy	WIG	75.95%
Fontana Pharmacy	FTNA	-18.98%
Regency Petroleum	RPL	36.36%
Seprod	SEP	9.39%
Jamaica Producers Group	JP	12.45%
Wisynco	WISYNCO	-0.28%
Carreras	CAR	58.18%
Supreme Ventures Limited	SVL	-8.75%
National Commercial Bank Financial Group	SVL	-8.75%
PORTFOLIO AVERAGE RETURN		21.20%

CAPITAL MARKETS

Our commitment to corporate governance yielded significant results, with our JSE Corporate Governance Score improving to 85, earning us an A rating. These efforts were further acknowledged at the JSE Best Practices Awards, where we received recognition in three categories.

Significant progress was made in advancing our strategy, highlighted by management and board strategy retreats held during the year. These sessions led to the refinement of our strategy map, strategic initiatives, and strategic objectives, all aimed at driving faster and more consistent revenue growth over the long term.

In 2025, we expect to build on the foundation of strategies and initiatives we have put in place. We will continue to refine our research methodologies, providing actionable insights in a challenging investment environment. We will strive to maintain transparent and regular communication, ensuring investors are well-informed. The core focus on delivering robust securities analyses, managing investor relations, and supporting business planning will remain central to our objectives.

RISK AND COMPLIANCE

In 2024, the Risk and Compliance team successfully achieved the goals set for the year, building on their previous accomplishments. The team effectively navigated a more complex regulatory environment, continued to strengthen their risk management frameworks, was proactive in assessing and managing risks, achieving an enhanced risk culture throughout the organisation, and delivered comprehensive risk models. The Risk Team continued to improve its communication and collaboration with revenue generating departments, which ensured a more integrated approach to risk and business objectives.

Integration and collaboration across departments remained a priority this year. By working more closely with key stakeholders, we were able to provide better risk insights, which helped drive informed decision-making across the organisation.

In 2024, economic fluctuations and the vulnerability to natural disasters, such as Hurricane Beryl and increased frequency of earthquakes, posed significant risks to asset valuations. Additionally, the evolving regulatory landscape required the department to adapt to stricter compliance requirements. In response, the Risk Team prioritised strengthening risk assessments, and enhanced crisis management strategies. By proactively addressing these risks, the team ensured greater resilience, safeguarding assets, and maintaining a stable operational environment.

In 2024, we also developed a series of risk management models, policies, and frameworks to improve the coverage of risks – Duration Risk Model, Margin Loan Credit Risk Model, Asset Valuation Framework, Risk Management Policies for all off-balance sheet portfolios – which have been essential tools in managing various aspects of risk.

Looking ahead to 2025, our goal is to build a resilient, highly skilled Team that can respond swiftly to emerging risks and resolve issues with greater efficiency. This will be supported by continued improvements in our turnaround times and responsiveness to service level agreements, allowing the team to better serve the organization's needs and resolve issues more quickly.

By improving our internal workflows, empowering all Team Members to act with greater autonomy, and strengthening our reporting mechanisms, we aim to drive more proactive and effective risk management across the organization.

Our Operations

CONTINUED

BUSINESSES PROCESSES AND QUALITY ASSURANCE

In its inaugural year, the Unit made strides in establishing a framework to safeguard the institution's financial integrity. Key achievements to date include:

1. Audit Readiness:
Prepared VMIL for successful internal and external audits. Detailed work plans were developed, implemented, and then executed and resulted in improved audit turnaround time.

2. Communication and Awareness: Successfully launched an internal sensitisation campaign. Through this campaign we have been successful in:

- Enhancing our Team's understanding of internal control processes and their importance in maintaining financial prudence, organisational integrity, and efficiency.
- Promoting adherence to regulatory requirements and internal policies, reducing the risk of non-compliance.
- Strengthening the sense of community and collaboration among employees, leading to a more cohesive and supportive work environment.

3. Introduced Automated Quality Assurance Recommendation for Tracking and Monitoring:
We successfully developed a tool that monitors the implementation of recommendations from our internal business process quality tests, enhancing our ability to track progress and ensure effective follow-up.

4. Team Expansion:
We strategically bootstrapped our team to improve the audit and quality assurance processes. This team-expansion is designed to improve throughput, accelerate execution, and ensure a greater focus on quality and efficiency.

Our strategy is focused on continuous improvement and alignment with industry best practices. The core elements of our strategy include:

Operational Risk Assessment:
Regularly conducting risk assessments to identify and mitigate potential threats to the institution's financial health.

Technology Integration:
Leveraging advanced technologies to automate controls and enhance monitoring capabilities.

Stakeholder Engagement:
Collaborating cross-functionally to ensure a cohesive approach to internal controls and foster a culture of accountability.

Continuous Improvements:
Committing to the ongoing enhancement of our internal control processes. By fostering a culture of continuous improvement, we proactively identify and mitigate risks, ensuring robust and effective internal controls that support our organisational objectives.

Looking ahead, the Business Processes & Quality Assurance Unit aims to build on its successes with the following plans:

Enhanced Monitoring:
Implementing a workflow tool to streamline processes and eliminate errors leading to operational losses.

Continued Policy Updates:
Reviewing and updating policies to reflect changes in regulatory requirements and business operations where applicable.

Digitisation of Procedures: The unit will digitize procedure documents, enhancing engagement and accessibility.

Redesigning Business Processes:
In 2025, our focus will be on streamlining and optimising business processes to enhance efficiency and effectiveness. This redesign will ensure our processes are agile, scalable, and aligned with the evolving needs of the organisation, while also assisting in reducing adverse audit findings.

By focusing on these areas, the business intends to remain resilient, compliant, and well-prepared for future challenges.

SALES AND CLIENT RELATIONS

The Sales & Client Relations Unit remains committed to delivering exceptional client experiences while driving sustainable business growth. Over the past year, we implemented key strategic initiatives to enhance customer segmentation, optimize sales and service delivery, strengthen our team, and improve operational efficiency. These efforts have contributed to increased client acquisition, stronger relationships, and improved business performance.

KEY ACHIEVEMENTS FOR THE YEAR

Customer Segmentation

In 2024, we laid the foundation for a more structured and effective client segmentation strategy, setting the stage for long-term success in 2025 and beyond. This approach ensures we expand our reach, enhance service delivery, and better align our offerings with client needs.

Sales & Service Enhancements

To improve accessibility and client experience, our online onboarding platform was developed and is set to launch in 2025. This platform will significantly reduce onboarding time, allowing clients to open accounts seamlessly from anywhere, enhancing convenience and operational efficiency.

Additionally, we introduced digital enhancements to our overall service delivery. As we move into 2025, further enhancements are planned to expand self-service capabilities and enhance digital engagement, ensuring continued improvements in efficiency and client satisfaction.

Team Expansion & Performance

To improve efficiency and deepen expertise, we expanded our team, bolstering it with more senior advisors. We also restructured several roles within the unit, allowing for a more focused approach to client engagement. Additionally, a robust incentive programme implemented in 2024 drove strong performance, with 77% of advisors achieving over 70% of their targets, despite a challenging year.

Business Line Growth

Our business lines saw significant growth, driven by increased client activity and market opportunities. Notably:

- **JMD Equities:**
  Achieved **113% of target**, driven by increasing investor interest, as expectations shifted in response to declining interest rates.

- **USD Equities:**
  Recorded a remarkable **642% year-over-year growth**, driven by increased demand for international investment opportunities.

- **Bond Sales:**
  Increased by **130% year-over-year**, reflecting an expanded fixed-income client base.

These results highlight the growing demand for diversified investment solutions and our ability to adapt to changing market conditions. As we move forward, we remain focused on strengthening client relationships, expanding market presence, and driving continued success.

Our Operations

CONTINUED

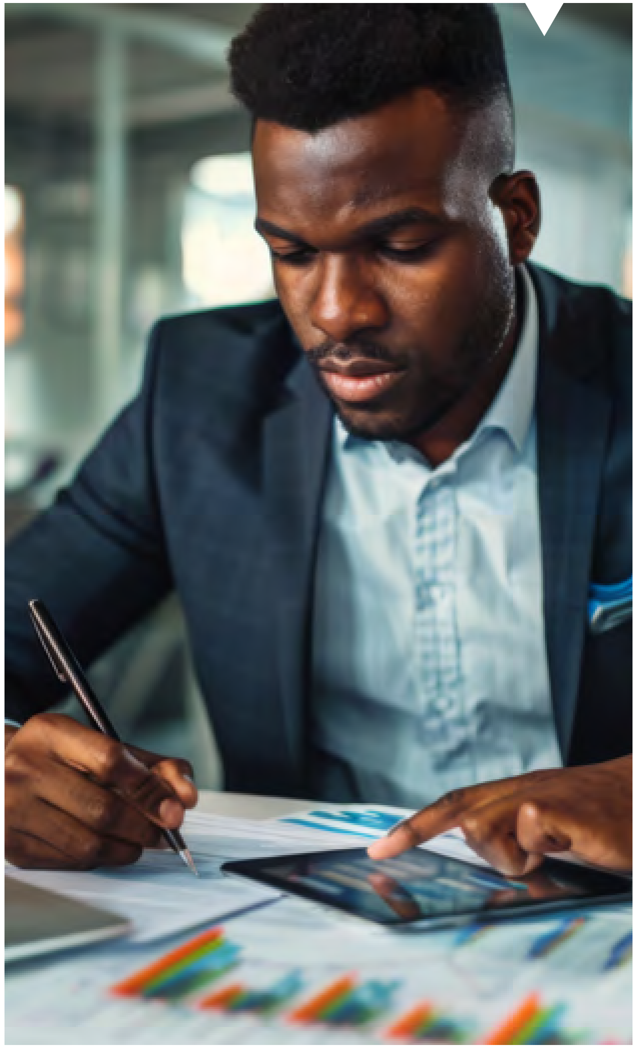
CUSTOMER EXPERIENCE

In 2024, VMIL focused on enhancing customer experience through strategic initiatives aimed at improving communication, engagement, and service efficiency, underscoring our commitment to delivering superior client satisfaction and operational excellence.

Key Initiatives & Achievements

- Customer Service Week (Oct 7-11): A week-long celebration, featured activities for internal and external customers, culminating in a client appreciation ceremony with entertainment and tokens of gratitude.
- Enhanced Client Communication: Implemented an auto-reply feature in the Wealthinfo inbox to provide quick responses to frequently asked questions, improving accessibility and client education.
- Advanced Analytics & Reporting: Launched multiple data-driven dashboards to enhance client engagement and operational insights, including dashboards for transaction processing, segmentation, digital adoption and transaction volumes.
- Net Promoter Score (NPS) for Wealth Advisors: Introduced NPS tracking to measure service satisfaction, addressing concerns regarding advisor accessibility.
- Inbox Rationalization: Streamlined client communication by consolidating queries into the Wealthinfo inbox, simplifying interactions and boosting operational efficiency.
- Client Portal Migration: Successfully migrated 50% of clients to the online portal, with a target of an additional 10% in 2025 to enhance digital engagement.
- WhatsApp for Business: Standardized advisor-client communication via WhatsApp Business, ensuring consistent and effective interactions.

Through these initiatives, we aimed to strengthen client relationships, improve service delivery, and optimise communication channels. As we move into 2025, we remain committed to further enhancing the customer experience and driving greater client satisfaction.



Our Investments

CARILEND

Carilend is the regional FinTech company that has revolutionised borrowing and lending in the Caribbean, providing fully end-to-end online lending services. Carilend, which is headquartered in Barbados, is the first of its kind in the region, signaling a new way of borrowing and lending in the Caribbean.

Carilend successfully launched its Jamaican operations in 2020 offering the co-branded, 'VM e-Loan powered by Carilend' unsecured loan product direct to Jamaican consumers in partnership with the VM Group. This partnership approach business model was replicated for the 2022 launch of Carilend in Trinidad and Tobago with Massy Finance, part of the Massy Group of companies with the offering of the "Instaloan powered by Carilend" unsecured consumer loan product.

2024 was a year of strong growth for Carilend. During 2024, Carilend grew its regional loan book under management by 33%, surpassing the milestones of B$200 million of loans approved in Barbados and over TT$250 Million in Trinidad and Tobago. In total, Carilend has approved over US$160 Million in loans since its inception in 2017.

Carilend now has over 92,000 registered users and has received over 50,000 completed loan applications so far across its 3 countries of operation. In Barbados, loans are funded by over 1,400 lenders with investments ranging from B$25 to B$3 Million+ invested in peer-to-peer loans via the Carilend platform alongside the institutional funding provided by Proven. Carilend reports average returns for Lenders in Barbados of 8.58% on their current investments. This relatively high return has led to more than B$17 Million in interest paid to Lenders to date.

In 2019, a 30% equity stake in Carilend was acquired by VMIL. In March 2024, VMIL took the strategic decision to sell its stake in Carilend to the VM Financial Group, resulting in a positive impact on the gains from investment activities.

HOME CHOICE ENTERPRISE

Home Choice was founded in 1999 by Managing Director Kareema Muncey and quickly became a Limited Liability Company in May 2004, given its rapid growth and increasing client base, now supplying supermarkets and retail stores with its products across Jamaica, along with distributors in Canada and the United States. Their diverse product offerings include, pepper shrimps, juice mixes, extracts, soups, curry powder, table sauces, spices and flavourings, beverages and vienna sausages.

Home Choice was built on four core values: integrity, creativity, customer satisfaction and people empowerment. Its mission is to provide high-quality Jamaican products to both local and overseas customers, with a continuous improvement of quality and total customer satisfaction.

Their dedication to quality and customer satisfaction has earned Home Choice Enterprises recognition over the years through various awards. These include winning the Jamaica Manufacturers' Award for Best Small and Medium-Sized Manufacturer in 2007 and 2020. The company's products have also been nominated four times by the Jamaica Observer Food Awards – for Boneless Saltfish and Peppered Shrimps in 2003, Peppered Shrimps Chutney in 2006, Pepper Shrimps Fritters Mix in 2007, and Ginger Extract in 2012. Another highlight was winning the Best New Product Award at the 2018 Jamaica Manufacturers' Expo for its Lemonade Ginger Drink.

VMIL confidently took a private equity stake in the company in May 2022, acquiring 10%. Since the acquisition, the company's revenues grew by 26% in 2023 compared to 2022 and is on track for continued growth in 2024 and beyond. The net profit grew by 369%, primarily due to increased revenues and effectively managing cost of sales. Over the period 2019 to 2023, the company achieved a compound annual growth rate (CAGR) of 34%, while the company's expenses grew at a comparatively slower CAGR of 30%, resulting in a net profit with a CAGR of 46%. In 2024, Home Choice realized its highest monthly sales in May, achieving a 14.7% revenue increase for Q2 2024 compared to Q2 2023, and a 21.8% revenue increase for Q3 2024 compared to Q3 2023. The company also increased sales for their top three leading segments ginger extract, shrimp, and soups. It is evident that Home Choice is well on its way to actualizing the vision of becoming the global household name that represents the vibrant spirit and flavours of the Jamaican people.

Our Investments

CONTINUED

Home Choice is poised for substantial growth as it works to expand its customer base both across Jamaica and internationally, with a focus on establishing a strong Jamaican brand. The company is preparing for a future listing on the Jamaica Stock Exchange and is actively taking strategic steps to ensure long-term success. These efforts include appointing a new CFO and enhancing corporate governance structures.

KINGSTON PROPERTIES LIMITED (KPREIT)

In 2024, KPREIT achieved strong strategic growth and portfolio diversification, driving increased revenues and profitability. Rental income rose 23% to US$4.72 million, boosted by the Grand Harbour Commercial Centre acquisition in the Cayman Islands. Total operating income grew to US$4.84 million, while expenses climbed 35% to US$2.07 million, partially offsetting gains. Still, operating profit rose 13% to US$2.77 million.

Fair value gains on properties totaled US$3.05 million, and KPREIT earned US$1.53 million from a property sale, supporting profitability. However, impairment allowances jumped to US$301,521, and finance costs increased nearly 60% to US$1.53 million due to higher interest expenses. These were offset by income from property gains.

Pre-tax profit rose 16% to US$5.40 million, with net profit reaching US$5.37 million, up from US$4.65 million. Total assets grew 22% to US$86.6 million, driven by a 28% increase in investment properties. Loans payable rose 49% to US$30.9 million, while retained earnings increased 27%.

Operating cash flow remained solid at US$2.52 million. Despite this, heavy investment in new properties (US$14.08 million) led to outflows, partly offset by US$4.44 million in disposals. Financing activity provided a net inflow of US$8.06 million, supporting growth.

KPREIT entered the UK market with the acquisition of a fully tenanted 20,000 sq. ft. property in Aztec West Business Park, South Gloucestershire, for £4 million (approx. US$5.08 million), supporting its geographic diversification strategy.

In Jamaica, KPREIT acquired 6 and 8–10 Duke Street in Kingston via sale and leaseback deals with VM Building Society and its affiliate. These nearly 60,000 sq. ft. fully leased properties increased its Jamaican portfolio to 43.5% of total holdings.

KPREIT's portfolio now comprises 45% Cayman Islands, 42% Jamaica, 7% UK, and 6% US, reflecting its strategy to reduce weather-related risks and tap into stable markets. The company remains positive on UK prospects amid expected economic growth in 2025 and plans to develop a 1.5-acre site in Cross Roads, Jamaica, moving closer to its US$100 million AUM target.

COLDBUSH ORGANICS LIMITED

Coldbush Organics Limited, which trades as Mount Pleasant Chocolatiers, faced a challenging financial year in 2024, marked by a decline in revenue and increased costs. Despite efforts to manage expenses, profitability was impacted by rising operational costs and financial obligations. While it remains committed to long-term growth, the financial results highlight the need for strategic adjustments to improve overall performance.

Revenue experienced a decline compared to the previous year, reflecting evolving market dynamics and strategic adjustments in operations. Meanwhile, an increase in the cost of sales impacted gross profit. The company continued to invest in key areas of operations, financial obligations, and asset upkeep, maintaining its commitment to longterm sustainability. As a result, a net loss was recorded, consistent with the previous year, while the company remains focused on strengthening its foundation for future growth.

Total assets decreased, driven by reductions in both fixed and current assets. While cash reserves provided some stability, receivables and other financial obligations impacted liquidity. Liabilities increased, with a notable rise in payables, reinforcing the need for careful financial management.

To navigate these financial challenges, Coldbush is focused on initiatives aimed at improving efficiency, strengthening revenue streams, and optimizing costs. Key areas of focus include:

- **Enhancing revenue generation** through market expansion and operational improvements.
- **Implementing cost-control measures** to drive greater efficiency and profitability.
- **Strengthening financial management** to ensure long-term stability.

Despite the current financial pressures, the company remains committed to its strategic objectives and is taking proactive steps to position itself for future success.

ISLAND CAR RENTALS HOLDINGS LIMITED

ICR Holdings Limited (ICRHL), incorporated in Jamaica on February 25, 2022, is an investment holding company that was established to acquire 100% ownership in Island Car Rentals Limited (ICR) and Jamaica Rental Company Limited (JCR). The acquisition was completed in late July 2023 via a leveraged buyout structure, and was financed via a combination of preference shares, corporate bonds and common shares. VMIL invested US$2.5 Million in the Cumulative Redeemable USD Indexed Preference Shares, with a convertibility option, that were issued to help finance the acquisition. This type of investment aligns with our opportunistic private equity strategy.

The main operating company within ICRHL, is ICR, a fullservice ground transportation company that owns a fleet of close to 1,400 vehicles and offers a range of services which include: car rental services, private transfers, customized tours, chauffeur services and long-term Corporate Rentals/Leases. ICR is licensed by the Jamaica Tourist Board (JTB) with the core benefits of the license including relief from customs duty, duty concession of 20% off imported vehicles, and duties not applicable on resale of vehicles and the resale after three years.

ICRL has partnered with JCR, a real estate holding company that has been operating for over 40 years in holding real estate assets valued at US$14.0 Million. JRC's business model entails the purchasing of real estate assets (commercial and residential properties), with the objective of generating attractive rental income.

The Jamaican car rental market features 25-30 companies, including major international franchises. ICR leads with a 30-40% market share, having won "Jamaica's Leading Car Rental Company" for 14 consecutive years. The market is concentrated in tourist hubs like Montego Bay, Ocho Rios, and Kingston.

ICR's market leadership is reflected in its financials, with revenue averaging over $2.6 Billion for the last three years. Meanwhile net profit has grown at a compound annual rate of 57.8% over the same period. This robust performance reflects the significant growth in the tourism industry and the successful execution of ICR's growth initiatives.

VMIL has seen a substantial return on its investment in ICR and is excited about the future of the business. Furthermore, we continue to remain a primary financial partner, having executed several corporate finance transactions that helped to strengthen the company's balance sheet, provide working capital support, and drive revenues. This partnership algins with our private equity strategy.

Our Investments

CONTINUED

STATIONERY WORLD AND BOOK CENTER

In 2024, VMIL invested $10 million in a Convertible Bond issued by Stationery World and Book Center Limited (SWBC), offering the potential for equity-like returns. The bond includes a conversion feature that allows us to convert the fixed-income instrument into equity at a discounted rate during a qualified public offering or at maturity. In the interim, we will receive quarterly interest payments of 13.50% over a five-year term, providing a consistent boost to interest income and contributing positively to net profit.

SWBC represents an opportunistic investment based on its historical financial performance, significant upside potential, and prospects for a public listing on the Jamaica Stock Exchange within the next 3–5 years.

Headquartered in Jamaica, SWBC operates within the Book, Stationery, and Office Supplies industry and has grown to become a well-established name over the past 21 years. The company offers a wide array of products and services, including textbooks, school and office supplies, furniture, uniforms, printing, internet café access, homework centres, and more. It also retails electronics, toiletries, and cleaning supplies positioning the business as a one-stop solution for a diverse clientele, including individuals, schools, government agencies, and corporate entities across the island. supported by her brother and CMO Sheldon McIntosh. Both bring deep industry experience and a strategic approach to growth and marketing. Under their leadership, the company has demonstrated impressive financial performance. Between 2020 and 2023, SWBC achieved a compound annual revenue growth rate of 58.4%, reaching over J$277 million in revenue by the end of 2023. This growth was driven by strong customer retention and product diversification, while expenses grew at a slower 32.5% CAGR, indicating sound cost management despite inflationary pressures.

Although 2024 has presented headwinds, including the discontinuation of some major contracts, the company is focused on enhancing operational efficiency and resilience. The capital raised through VMIL's investment, along with the corporate governance support provided, is expected to strengthen SWBC's financial position and long-term outlook.

This investment aligns with our DEI strategy, as SWBC is a female-led enterprise.

JASMEF

With VMIL as its primary investor alongside the Development Bank of Jamaica (DBJ), a pioneering World Bank-backed private equity fund, the Jamaica Actus Small and Medium Enterprises Fund I (JASMEF), was launched in 2022 with a focus on investing in well-established SMEs, first of all in Jamaica and in future, potentially in selected other parts of the Caribbean. JASMEF emerged from a World Bank and DBJ initiative to broaden access to finance for Jamaican SMEs, to further develop the Jamaican-Caribbean private equity ecosystem, and to bring international private equity proven best practices and management to guide the fund's portfolio companies.

JASMEF has so far expanded its portfolio with the following two Jamaican SME investments:

Technological Solutions Limited (TSL):
In March 2025, JASMEF added TSL, a scientific services firm, to its investment portfolio. TSL's founder & CEO, Dr. André Gordon, is a prominent Caribbean scientist. TSL has been a Caribbean leader in scientific services for 29 years, providing essential quality and safety assurance services that enable Jamaican and Caribbean exporters, mainly in the food sector, to meet international certification requirements for international markets including the United States, Canada, the European Union, and the United Kingdom. TSL also contributes to Jamaica's health through its more recent launch of healthcare and wellness services such as medical lab tests, nursing care and executive healthcare concierge services.

assurance services that enable Jamaican and Caribbean exporters, mainly in the food sector, to meet international certification requirements for international markets including the United States, Canada, the European Union, and the United Kingdom. TSL also contributes to Jamaica's health through its more recent launch of healthcare and wellness services such as medical lab tests, nursing care and executive healthcare concierge services.

WILCO Finance Limited:
In December 2023, an investment agreement was completed between JASMEF and WILCO Finance, a Jamaican microcredit SME. WILCO is led by CEO Mrs. Nikisha Walters, who is a seasoned banking and wealth management professional. The company has been improving access to finance for Jamaicans and their businesses since 2010. WILCO has been approved for the Jamaican microfinance sector by the Bank of Jamaica and is a licensed microcredit institution following passage of the Microcredit Act of 2021.

VMIL has been pivotal to JASMEF's success. As the fund's largest investor with a commitment of US$10 million, VMIL has provided financial resources, and strategic and regional knowledge. VMIL's investment underscores its dedication to fostering SME growth and transforming lives through impactful investment in Jamaica.

VM Investments has a solid reputation for providing active and purposeful support to SMEs. We are excited to work alongside Actus, the DBJ and the World Bank to facilitate meaningful growth and expansion of the SME sector.

Our People

"

OUR PEOPLE ARE NOT JUST OUR GREATEST ASSET—THEY'RE OUR COMPETITIVE ADVANTAGE."

Our People

VM Investments Limited values our people as our greatest asset and key competitive advantage. Our people strategy is centered on aligning talent development and retention for mission-critical roles while enhancing our Employee Value Proposition (EVP) to attract and retain top global talent. We focused in 2024 on future-proofing the workplace to align with the Business Strategy, ensuring long-term success and sustainability.

TALENT MANAGEMENT

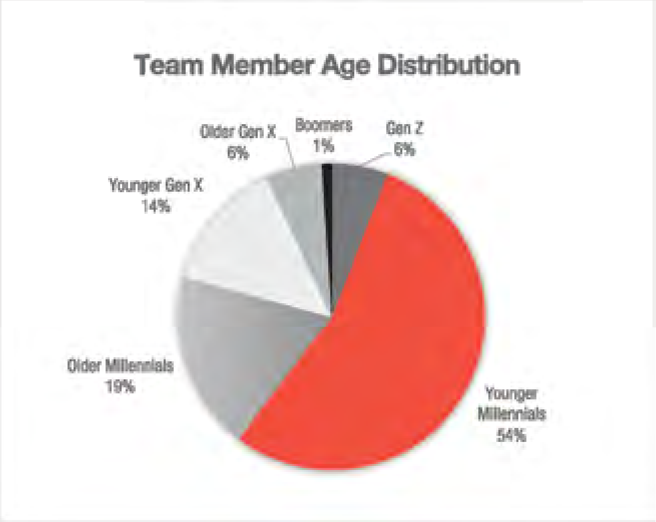
We remained committed to creating personalized career experiences for our workforce through our accelerated development programme. This initiative provided Team Members with experience-based learning opportunities across various levels of the organization, enabling them to acquire or refine the skills needed for their current roles and future career aspirations.

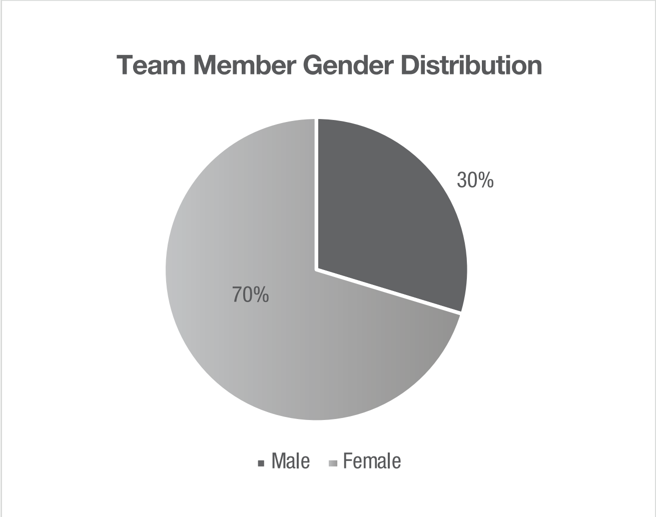
We continued to fulfil our mandate of developing caring experts and building the resilience of our workforce by strengthening our second-tier leadership, building an integrated sales force to support our unified selling strategy, enhancing competencies for mission-critical and specialized roles, and expanding data analytics capabilities through role-specific and self-paced learning programmes. Additionally, we maintained a strong focus on international coaching certification and leadership training for select leaders.

Aligned with our succession planning for senior leadership and key roles, we prioritized development and readiness for future opportunities. As a result, approximately 8% of Team Members were promoted to higher positions, including leadership roles, while nearly 45% of vacancies were filled internally.

TEAM MEMBER WELL-BEING, WELLNESS AND ENGAGEMENT

Our Hybrid, Remote, and Flexible Work arrangements remain a cornerstone of our progressive Human Resources agenda, fostering diversity, inclusion, and a results-driven culture. These initiatives play a vital role in our Employer of Choice strategy and our commitment to being a Great Place to Work. VMIL continues to integrate Team Member well-being into daily operations through the launch of an online Employee Well-being and Assistance Programme, alongside ongoing wellness, engagement, and well-being activities.





HUMAN RESOURCES ENGAGEMENT INDEX (HREI) SURVEY AND RESULTS

VMIL achieved an HREI score of 73% and a participation rate of 67%, aligning with the overall VM Group results. .Notably, VMIL's Leadership score stood at 76%, surpassing the Group's average of 74%. These results highlight VMIL's continued strong performance in HREI, outperforming the Global Engagement Trend's average of 67%. Among the six key drivers, Culture, Leadership, Employee Value Proposition, and Opportunity received the highest scores.

Our People

CONTINUED

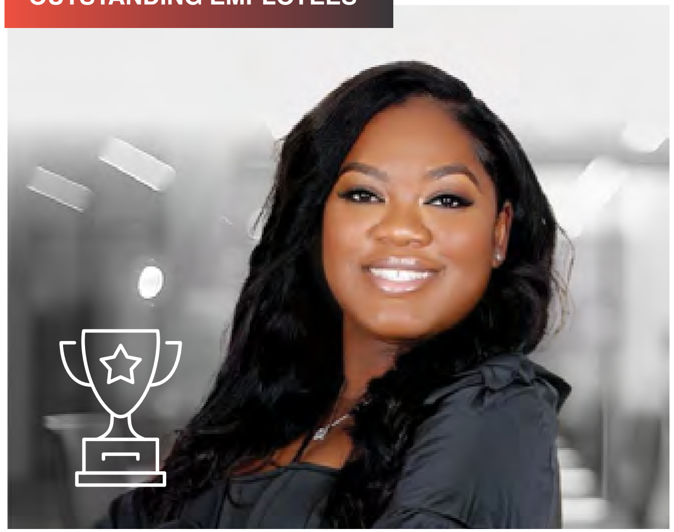
TOTAL REWARDS

Our Total Rewards Framework is designed to enhance the overall Team Member experience, forming the foundation of a compelling Team Member Value Proposition. This framework emphasizes business results, individual performance, accountability, and the well-being and development of our Team Members.

VMIL/VMWM 2024 Employee Recognition

At VMIL/VMWM, we recognize that our employees are our greatest asset. Their dedication, talent, and hard work are fundamental to our success. This year, we would like to highlight four outstanding individuals who exceeded expectations and made significant contributions throughout 2024, all while exemplifying our core cultural beliefs of **Own Up, Care Up, Level Up, and Team Up.**

OUTSTANDING EMPLOYEES



EMPLOYEE OF THE YEAR
Brittanie Bell
Sales Support Officer

Brittanie Bell is a dedicated and forward-thinking professional who consistently goes above and beyond in her role. Known for her creativity and problem-solving skills, she takes the initiative to lead projects outside of her core responsibilities and delivers high-quality work ahead of deadlines. Her commitment to member satisfaction is evident in the positive feedback she receives, as she ensures transactions are processed with care and holds others accountable to high standards. Brittanie embodies integrity, demonstrating transparency and accountability in all her actions. A true team player, she actively cross-trains to support various roles and fosters a culture of unity. Her innovative mindset drives continuous improvement, and she approaches every task with a commitment to excellence, always striving to "make it work."

QUARTER 1
Veronica Green
Supervisor, Securities, Monitoring & Reporting

Veronica Green is a dedicated and results-driven professional who consistently exceeds expectations, achieving 95-100% SLA compliance each month. She takes full ownership of her tasks, working beyond hours to meet deadlines and coaching teammates to enhance service delivery. Her integrity, discretion, and commitment to excellence have strengthened relationships with the Jamaica Central Securities Depository and improved processing times. A champion of innovation, she has optimized FSC reporting, reducing completion time by several days. Veronica is an invaluable team player, continuously driving efficiency, collaboration, and professional growth within the organization.

QUARTER 2 & 3
Raymond Golding
Treasury Operations Specialist

Raymond Golding is a meticulous and proactive Treasury Operations Specialist who consistently delivers high-quality work and exceeds expectations. He independently manages tasks with minimal supervision, swiftly resolves 99% of client requests within one business day, and actively contributes to team efficiency. A problem-solver and innovator, he has developed tools that improve reporting accuracy and streamline operations. His commitment to accountability, service quality, and continuous improvement makes him a standout performer and a key driver of operational excellence.

QUARTER 4
Johnathan Richardson
Research Analyst

Johnathan Richardson brings energy, enthusiasm, and reliability to the Research, Business Planning, and Investor Relations team. He consistently takes initiative beyond his role, assuming leadership responsibilities and delivering insightful work that anticipates customer needs. His integrity, teamwork, and innovation are evident in his proactive approach to process improvements and accountability. Johnathan is a dedicated and impactful team player, committed to excellence and continuous enhancement of operational efficiency.

MODERN MOVERS ENGAGEMENT COMMITTEE

Over the past year, **Modern Movers** was dedicated to fostering a positive and inclusive workplace culture that empowers employees and enhances productivity. Our initiatives are rooted in our mission "Our Team's Energy is our Passion" and we are dedicated to promoting collaboration, recognition, and well-being and ensuring that every team member feels valued and motivated. Through strategic planning and dedicated efforts, we have successfully implemented programmes that contribute to higher employee satisfaction and engagement levels.

In 2024, Modern Movers introduced a refreshed approach to celebrating employee birthdays, creating a more personalized and joyous experience for all team members. These monthly celebrations fostered a sense of belonging and appreciation.

2024 was also the year we launched fundraising initiatives. This included our vibrant 90s-themed party. These events not only raised funds for meaningful causes but also strengthened team camaraderie.

Our People

CONTINUED

We proudly celebrated International Women's Day and Men's Day, honouring the achievements of our women and men within our organization, while promoting gender equality and inclusivity.

Our annual Sports Day was another highlight, bringing out the competitive spirit as teams competed with high energy and enthusiasm. Red House, aka the "Energy Tigers" were the victors!

The year also featured a memorable team retreat at Hilton Rose Hall in Montego Bay. This provided a refreshing break from routine work and allowed for strategic team building and reflection.

We continued to enhance our workplace culture with other creative events such as Twin Day, Wakanda Day, Karaoke Nights, Pixie Exchange, and the grand Christmas Talent Extravaganza. Each of these activities were designed to celebrate diversity, encourage team interaction, and maintain high spirits throughout the year.

Through these initiatives, we successfully fostered a dynamic and inclusive environment, making our workplace more engaging and enjoyable for everyone.

"OUR TEAM'S ENERGY IS OUR PASSION—AND IT SHOWS IN EVERY CELEBRATION, INITIATIVE, AND ACHIEVEMENT.

2024 Pictorial Highlights

2024 Pictorial Highlights

VMIL Audited Financial Statements

As at December 31, 2024

KPMG

INDEPENDENT AUDITORS' REPORT

To the Members of VM Investments Limited

KPMG
Chartered Accountants
P.O. Box 436
6 Duke Street
Kingston
Jamaica, W.I.
+1 (876) 922 6640
firmmail@kpmg.com.jm

Report on the Audit of the Financial Statements

Opinion

We have audited the separate financial statements of VM Investments Limited ("the company") and the consolidated financial statements of the company and its subsidiary ("the group"), set out on pages 127 to 195, which comprise the group's and company's statements of financial position as at December 31, 2024, the group's and company's income statements, statements of comprehensive income, changes in equity and its cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the group and the company as at December 31, 2024, and of the group's and company's financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and in the manner required by the Jamaican Companies Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the group and the company in accordance with t International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants, including International Independence Standards (IESBA Code), and we have fulfilled our othe ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, 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.

Fair value of level 3 investments	
The key audit matter [see notes 6 and 29]	**How the matter was addressed in our audit**
The group and company hold level 3 investments of $1,095,591,000 (2023: $1,240,524,000) measured at fair value which are instruments for which quoted prices are not available. Valuation of these investments requires the use of unobservable inputs which require significant estimation and the selection of an appropriate valuation method.	Our procedures in this area included the following: • Assessing the reasonableness of significant assumptions and suitability of the valuation models used by the group and the company. • Involving our valuation specialists to determine or obtain yields or prices of specific securities and comparing these yield or prices to those used by the group and the company. • Assessing the adequacy of the disclosures, including the degree of estimation uncertainty involved in determining fair values.

KPMG

INDEPENDENT AUDITORS' REPORT

To the Members of VM Investments Limited

Report on the Audit of the Financial Statements (Continued)

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditors' report thereon. The annual report is expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

Management is responsible for the preparation and fair presentation of financial statements that give a true and fair view in accordance with IFRS Accounting Standards and the Jamaican Companies Act, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the 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 group and/or the company 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is included in the Appendix to this auditors' report. This description, which is located at page 126, forms part of our auditors' report.

Report on additional matters as required by the Jamaican Companies Act

We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

In our opinion, proper accounting records have been maintained, so far as appears from our examination of those records, and the financial statements, which are in agreement therewith, give the information required by the Jamaican Companies Act in the manner required.

The engagement partner on the audit resulting in this independent auditors' report is Damion D. Reid.

KPMG

Chartered Accountants
Kingston, Jamaica

April 30, 2025

KPMG

INDEPENDENT AUDITORS' REPORT

To the Members of VM Investments Limited

Appendix to the Independent Auditors' Report

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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/or the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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.

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.

VM Investment Limited

Consolidated Statement of Financial Position

December 31, 2024

	Notes	2024 $'000	2023 $'000
ASSETS			
Cash and cash equivalents	4	1,469,290	877,655
Resale agreements	5	861,775	1,570,685
Investment securities	6	19,471,561	18,276,764
Net investment in finance leases	18(b)	54,759	92,727
Loans receivable	9	4,102,234	4,651,668
Accounts receivable and prepayments:			
Customers	10	130,720	46,336
Others and prepayments	10	455,415	437,810
Income tax recoverable		252,946	267,112
Deferred tax asset	11	1,354,783	1,220,314
Property, plant and equipment	12	91,880	109,594
Intangible asset	13	334,704	236,869
Interest in associates	7	1,875,084	1,719,260
TOTAL ASSETS		30,455,151	29,506,794
LIABILITIES AND EQUITY			
Liabilities:			
Due to ultimate parent company	30(c)	3,840	-
Due to immediate parent company	30(c)	128,212	124,362
Borrowings	17	8,468,822	8,657,029
Accounts payable:			
Customers	14	2,341,955	1,183,303
Brokers		19,084	176,930
Others	14	864,441	881,051
Lease liabilities	18(a)	42,385	54,961
Repurchase agreements	15	13,933,279	14,356,049
Employee benefit obligation	16(b)(i)	35,000	22,900
TOTAL LIABILITIES		25,837,018	25,456,585

	Notes	2024 $'000	2023 $'000
Equity:			
Share capital	19	707,887	707,887
Share premium	19	24,000	24,000
Investment revaluation reserve	20(a)	(791,471)	(980,570)
Other reserve	20(b)	66,420	58,372
Retained earnings		3,061,297	2,690,520
Equity attributable to owners of the company		3,068,133	2,500,209
Non-controlling interest	21	1,550,000	1,550,000
TOTAL EQUITY		4,618,133	4,050,209
TOTAL EQUITY AND LIABILITIES		30,455,151	29,506,794

The financial statements on pages 127 to 195 were approved for issue by the Board of Directors on April 30, 2025 and signed on its behalf by:

Director
Michael McMorris

Chief Executive Officer
Rezworth Burchenson

The accompanying notes are an integral part of the financial statements.

VMIL AUDITED FINANCIAL STATEMENTS 2024

VM Investment Limited

Company Statement of Financial Position

December 31, 2024

	Notes	2024 $'000	2023 $'000
ASSETS			
Cash and cash equivalents	4	114,452	101,332
Resale agreements	5	438,982	215,454
Investment securities	6	2,259,241	2,451,736
Net investment in finance leases	18(b)	54,759	92,727
Loans receivable	9	4,102,234	4,651,668
Accounts receivable and prepayments:			
Others and prepayments	10	160,178	107,775
Income tax recoverable		139,579	113,216
Deferred tax asset	11	189,129	61,723
Intangible asset	13	30,924	35,074
Interest in subsidiary	8	1,065,517	1,009,500
Interest in associates	7	1,875,084	1,719,260
TOTAL ASSETS		10,430,079	10,559,465
LIABILITIES AND EQUITY			
Liabilities:			
Due to ultimate parent company	30(c)	1,044	-
Due to subsidiary company	30(c)	1,810	122,538
Borrowings	17	8,455,600	8,569,092
Accounts payable:			
Others	14	241,247	362,797
Repurchase agreements	15	378,000	438,000
TOTAL LIABILITIES		9,077,701	9,492,427

	Notes	2024 $'000	2023 $'000
Equity:			
Share capital	19	707,887	707,887
Share premium	19	24,000	24,000
Other reserve	20(b)(ii)	52,420	37,772
Retained earnings		568,071	297,379
TOTAL EQUITY		1,352,378	1,067,038
TOTAL EQUITY AND LIABILITIES		10,430,079	10,559,465

The financial statements on pages 127 to 195 were approved for issue by the Board of Directors on April 30, 2025 and signed on its behalf by:

_________________ Director
Michael McMorris

_________________ Chief Executive Officer
Rezworth Burchenson

The accompanying notes are an integral part of the financial statements.

VM Investment Limited

Income Statements

Year ended December 31, 2024

	Notes	Group 2024 $'000	Group 2023 $'000	Company 2024 $'000	Company 2023 $'000
Interest income calculated using the effective interest method	22	1,650,885	1,510,059	715,670	687,295
Other interest/dividend income:					
Finance leases	22	5,698	8,889	5,698	8,889
Dividend income -Preference shares	22	74,363	164,375	74,363	164,375
Other	22	16,476	11,592	10	4,288
Interest expense	22	(1,596,023)	(1,647,094)	(868,391)	(866,411)
Net interest/dividend income/(expense)	22	151,399	47,821	(72,650)	(1,564)
Fees and commissions income	24	1,014,789	944,933	36,265	71,699
Gains from investment activities	23	1,437,398	866,343	725,820	181,427
Dividend income – Quoted equities		26,155	15,561	8,764	8,928
Other income		13,682	7,878	-	-
Other operating revenue		2,492,024	1,834,715	770,849	262,054
Net interest/dividend income and other operating revenue		2,643,423	1,882,536	698,199	260,490
Operating expenses					
Staff costs	25	(1,109,819)	(912,572)	-	-
Impairment losses on financial assets	28(b)(v)(f)	(163,867)	(150,376)	(268,242)	(208,248)
Other operating costs	26	(1,108,423)	(810,701)	(352,539)	(165,652)
		(2,382,109)	(1,873,649)	(620,781)	(373,900)
Share of profits in associate	7	193,370	164,411	193,370	164,411
Profit before income tax		454,684	173,298	270,788	51,001
Income tax credit	27	101,038	25,546	127,406	65,224
Profit for the year attributable to shareholders of the company		555,722	198,844	398,194	116,225
Earnings per share (expressed as ¢ per share)	31	37¢	13¢		
Diluted earnings per share (expressed as ¢ per share)	31	36¢	13¢		

The accompanying notes are an integral part of the financial statements.

VM Investment Limited

Statements of Comprehensive Income

Year ended December 31, 2024

	Notes	Group 2024 $'000	Group 2023 $'000	Company 2024 $'000	Company 2023 $'000
Profit for the year		555,722	198,844	398,194	116,225
Other comprehensive income (OCI):					
Items that will never be classified to profit or loss:					
Net gains/(losses) on investment in equity instruments designated at FVOCI	6	168,300	(298,350)	-	-
Remeasurement of employee benefit obligation	16(b)(i)	(9,900)	(1,800)	-	-
Deferred tax on remeasurement of employee benefit obligation	11	3,300	600	-	-
		(6,600)	(1,200)	-	-
		161,700	(299,550)	-	-
Item that may be reclassified to profit or loss:					
Currency translation adjustment on investment in associate	7, 20(b)(ii)	14,648	37,772	14,648	37,772
Change in fair value of debt securities at FVOCI, net of expected credit losses	29(c)	31,197	186,855	-	-
Deferred tax on change in fair value of investment securities measured at FVOCI	11	(10,398)	(62,284)	-	-
		20,799	124,571	-	-
Total other comprehensive income, net of tax		197,147	(137,207)	14,648	37,772
Total comprehensive income for the year attributable to shareholders of the company		752,869	61,637	412,842	153,997

The accompanying notes are an integral part of the financial statements.

VM Investment Limited

Consolidated Statement of Changes in Equity

Year ended December 31, 2024

	Attributions by owners of the company							
	Share capital [note (19)] $'000	Share premium $'000	Investment revaluation reserve [note 20(a)] $'000	Other reserve [note 20(b)] $'000	Retained earnings $'000	Total $'000	Non-controlling interest [note (21)] $'000	Total equity $'000
Balances at December 31, 2022	**707,887**	**24,000**	**(806,791)**	**21,800**	**2,491,676**	**2,438,572**	**50,000**	**2,488,572**
Share issue [note 21(b)]	-	-	-	-	-	-	1,500,000	1,500,000
Comprehensive income:								
Profit for the year	-	-	-	-	198,844	198,844	-	198,844
Other comprehensive income:								
Currency translation adjustment on investment in associate	-	-	-	37,772	-	37,772	-	37,772
Change in fair value of debt securities, net of deferred tax and expected credit losses	-	-	124,571	-	-	124,571	-	124,571
Change in fair value of equities at FVOCI	-	-	(298,350)	-	-	(298,350)	-	(298,350)
Remeasurement of employee benefit obligation, net of deferred tax	-	-	-	(1,200)	-	(1,200)	-	(1,200)
Total other comprehensive income	-	-	(173,779)	36,572	-	(137,207)	-	(137,207)
Total comprehensive income for the year	-	-	(173,779)	36,572	198,844	61,637	-	61,637
Balances at December 31, 2023	**707,887**	**24,000**	**(980,570)**	**58,372**	**2,690,520**	**2,500,209**	**1,550,000**	**4,050,209**
Comprehensive income:								
Profit for the year -	-	-	-	555,722	555,722	-	555,722	
Other comprehensive income:								
Currency translation adjustment on investment in associate	-	-	-	14,648	-	14,648	-	14,648
Change in fair value of debt securities, net of deferred tax and expected credit losses	-	-	20,799	-	-	20,799	-	20,799
Change in fair value of equities at FVOCI	-	-	168,300	-	-	168,300	-	168,300
Remeasurement of employee benefit obligation, net of deferred tax	-	-	-	(6,600)	-	(6,600)	-	(6,600)
Total other comprehensive income	-	-	189,099	8,048	-	197,147	-	197,147
Total comprehensive income for the year	-	-	189,099	8,048	555,722	752,869	-	752,869
Transactions with owners:								
Dividends declared but not paid to immediate parent company [(note 33(b)]	-	-	-	-	(57,443)	(57,443)	-	(57,443)
Dividends declared and paid to equity holders [(note 33(a)]	-	-	-	-	(127,502)	(127,502)	-	(127,502)
Total transactions with owners	-	-	-	-	(184,945)	(184,945)	-	(184,945)
Balances at December 31, 2024	707,887	24,000	(791,471)	66,420	3,061,297	3,068,133	1,550,000	4,618,133

The accompanying notes are an integral part of the financial statements.

VM Investment Limited

Company Statement of Changes in Equity

Year ended December 31, 2024

	Share capital (note 19) $'000	Share premium $'000	Other reserve [note 20(b)] $'000	Retained earnings $'000	Total $'000
Balance at December 31, 2022	**707,887**	**24,000**	**-**	**181,154**	**913,041**
Profit for the year	-	-	-	116,225	116,225
Other comprehensive income:					
Currency translation adjustment on investment in associate	-	-	37,772	-	37,772
Total comprehensive income for the year	-	-	37,772	116,225	153,997
Balance at December 31, 2023	**707,887**	**24,000**	**37,772**	**297,379**	**1,067,038**
Profit for the year	-	-	-	398,194	398,194
Other comprehensive income:					
Currency translation adjustment on investment in associate	-	-	14,648	-	14,648
Total comprehensive income for the year	-	-	14,648	398,194	412,842
Transactions with owners:					
Dividends declared and paid to equity holders [note 33(a)]	-	-	-	(127,502)	(127,502)
Balance at December 31, 2024	**707,887**	**24,000**	**52,420**	**568,071**	**1,352,378**

The accompanying notes are an integral part of the financial statements.

VM Investment Limited

Statement of Cash Flows

Year ended December 31, 2024

	Notes	Group 2024 $'000	Group 2023 $'000	Company 2024 $'000	Company 2023 $'000
CASH FLOWS FROM OPERATING ACTIVITIES:					
Profit for the year		555,722	198,844	398,194	116,225
Adjustments for:					
Depreciation	12	26,452	27,331	-	-
Amortisation of intangible assets	13	78,440	76,096	6,286	6,286
Share of profits in associate	7	(193,370)	(164,411)	(193,370)	(164,411)
Impairment losses on financial assets	28(b)(v)(f)	163,867	150,376	268,242	208,248
Change in employee benefit obligation		2,200	1,800	-	-
Amortisation of transaction costs		-	77,961	68,886	77,961
Unrealised exchange gains on foreign currency balances		66,390	(46,606)	(1,511)	(5,496)
Gains from investment activities		(1,437,398)	(951,906)	(725,820)	(266,990)
Interest income	22	(1,747,422)	(1,694,915)	(795,741)	(864,847)
Dividend income		(26,155)	(15,561)	(8,764)	(8,928)
Interest expense	22	1,591,093	1,640,972	868,391	866,411
Interest expense on lease liabilities	18(a)(v)	4,930	6,122	-	-
Income tax credit	27	(101,038)	(25,546)	(127,406)	(65,224)
		(1,016,289)	(719,443)	(242,613)	(100,765)
Changes in operating assets and liabilities:					
Due to ultimate parent company		(120,522)	(317,360)	1,044	(193,593)
Due to parent company		128,212	-	-	-
Due to subsidiary company		-	-	(177,794)	11,733
Loans receivable		1,040,899	608,251	1,040,899	608,251
Resale agreements		712,252	(809,380)	(223,288)	(215,454)
Accounts receivable and prepayments		(117,394)	192,996	(33,148)	34,057
Accounts payable		962,003	(522,173)	(109,367)	(444,576)
Repurchase agreements		(490,446)	(1,413,873)	(60,000)	242,848
		1,098,715	(2,980,982)	195,733	(57,499)
Interest received		1,959,193	1,973,940	753,753	785,510
Interest paid		(1,631,605)	(1,649,666)	(873,921)	(885,785)
Income tax paid		(15,965)	(391,428)	(20,139)	(72,856)
Net cash provided by/(used in) operating activities		1,410,338	(3,048,136)	55,426	(230,630)

	Notes	Group 2024 $'000	Group 2023 $'000	Company 2024 $'000	Company 2023 $'000
CASH FLOWS FROM INVESTING ACTIVITIES:					
Acquisition of property, plant and equipment	12	(8,738)	(840)	-	-
Acquisition of intangible assets	13	(114,600)	(12,488)	(2,136)	-
Proceeds from finance lease repayments		37,968	41,000	37,968	41,000
Purchase of investment securities		(62,307,272)	(41,414,672)	(1,551,199)	(2,087,831)
Proceeds from sale of investment securities		61,830,330	41,462,858	1,730,792	1,006,602
Dividends received		76,390	77,251	58,999	70,617
Net cash provided by/(used in) investing activities		(485,922)	153,109	274,424	(969,612)
CASH FLOWS FROM FINANCING ACTIVITIES:					
Proceeds from issue of shares		-	1,500,000	-	-
Proceeds from loans and borrowings	17	1,670,091	6,630,358	1,670,091	6,630,358
Repayment of loans and borrowings	17	(1,865,155)	(5,411,905)	(1,846,932)	(5,411,905)
Transaction costs incurred on loans and borrowings	17	-	(133,503)	(12,394)	(133,503)
Payment of lease liabilities	18(a)(v)	(12,576)	(11,384)	-	-
Dividends paid		(127,502)	-	(127,502)	-
Net cash (used in)/provided by financing activities		(335,142)	2,573,566	(316,737)	1,084,950
Net increase/(decrease) in cash and cash equivalents		589,274	(321,461)	13,113	(115,292)
Cash and cash equivalents at beginning of year		877,655	1,192,249	101,332	216,608
Effect of exchange rate movements on cash and cash equivalents held		2,361	6,867	7	16
CASH AND CASH EQUIVALENTS AT END OF YEAR	4	1,469,290	877,655	114,452	101,332

The accompanying notes are an integral part of the financial statements.

VM Investment Limited

Notes to the Financial Statements

Year ended December 31, 2024

1. Identification

VM Investments Limited ("the company") is incorporated and domiciled in Jamaica. The company's registered office is located at 6-10 Duke Street, Kingston, Jamaica. Under an approved Scheme of Arrangement for the restructuring of the Victoria Mutual Building Society (former parent society) and its subsidiaries, a new mutual holding company, VM Group Limited, along with a new financial holding company, VM Financial Group Limited, were incorporated on February 1, 2023. Effectively, this meant that VM Group Limited became the new ultimate parent company and VM Financial Group Limited became the immediate parent company. Both the parent company and the ultimate parent company are domiciled in Jamaica.

The VM Group Limited is wholly owned by its Members and is the parent of VM Financial Group Limited.

VM Financial Group Limited is licensed under the Banking Services Act (2014) as the financial holding company for all the companies in the VM Group that offer financial services, including VM Investments Limited.

The company issued 20% of its ordinary shares to the public and is listed on the Jamaica Stock Exchange.

The company has a wholly owned subsidiary, VM Wealth Management Limited ("the subsidiary company"), which is incorporated and domiciled in Jamaica. The principal activities of the subsidiary company are stock and investment broking, the provision of financial investment management and investment advisory services and money market dealing.

The company's principal activities are administered by its subsidiary company and includes holding and management of certain securities. The company's income during the year was mainly interest, gains from investment activities, fees and commission and dividend income.

The company and its subsidiary are collectively referred to as "the group".

In the prior reporting period, the company held a 30% interest in Carilend Caribbean Holdings Limited (Carilend), a company incorporated in Barbados that facilitates peer-to-peer lending. This investment was accounted for under the equity method as an associated company in the consolidated financial statements. No goodwill was identified as part of the transaction. In the current reporting period, the company disposed of its 30% interest in Carilend. The investment was sold to its immediate parent company, VM Financial Group Limited (note 30).

Effective December 30, 2022, the company acquired a 23% interest in Kingston Properties Limited (KPREIT), a company incorporated and domiciled in Jamaica that invests in real estate assets (note 7). KPREIT ordinary shares are listed on the Jamaica Stock Exchange.

2. Basis of preparation

(a) Statement of compliance

These financial statements have been prepared in accordance with IFRS Accounting Standards, as issued by the International Accounting Standards Board, and in the manner required by the Jamaican Companies Act ("the Act").

New and amended standards that became effective during the year:

Certain new and amended standards came into effect during the current financial year. Amendments under IFRS Accounting Standards did not result in any significant changes to amounts recognised or disclosed in these financial statements.

New and amended standards issued but not yet effective:

- IFRS 18 Presentation and Disclosure in Financial Statements is effective for annual reporting periods beginning on or after January 1, 2027.

  Under current IFRS Accounting Standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. IFRS 18 promotes a more structured income statement. In particular, it introduces a newly defined 'operating profit' subtotal and a requirement for all income and expenses to be allocated between three new distinct categories (Operating, Investing and Financing) based on a company's main business activities.

  All companies are required to report the newly defined 'operating profit' subtotal – an important measure for investors' understanding of a company's operating results – i.e. investing and financing activities are specifically excluded. This means that the results of equity-accounted investees are no longer part of operating profit and are presented in the 'investing' category.

  IFRS 18 also requires companies to analyse their operating expenses directly on the face of the income statement – either by nature, by function or using a mixed presentation. Under the new standard, this presentation provides a 'useful structured summary' of those expenses. If any items are presented by function on the face of the income statement (e.g. cost of sales), then a company provides more detailed disclosures about their nature.

VM Investment Limited

Notes to the Financial Statements

Year ended December 31, 2024

2. Basis of preparation (continued)

(a) Statement of compliance (continued)

New and amended standards issued but not yet effective (continued):

IFRS 18 requires some 'non-GAAP' measures to be reported in the financial statements. It introduces a narrow definition for management performance measures (MPMs), requiring them to be a subtotal of income and expenses, used in public communications outside the financial statements and reflective of management's view of financial performance. For each MPM presented, companies will need to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards.

Companies are discouraged from labelling items as 'other' and will now be required to disclose more information if they continue to do so.

The group is assessing the impact that these amendments will have on its future financial statements.

(b) Basis of measurement

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

(i) Debt instruments at fair value through other comprehensive income (FVOCI), measured at fair value.

(ii) Equity securities at fair value through profit or loss (FVTPL), measured at fair value.

(iii) Certain equity securities designated as at FVOCI, measured at fair value.

(iv) Post-employment medical benefit obligation measured at the present value of the obligation as set out in note 3(g)(iii).

(c) Functional and presentation currency

The financial statements are presented in thousands of Jamaica dollars, which is the functional currency of the company.

(d) Use of estimates and judgements

The preparation of the financial statements requires management to make judgements, as well as estimates, based on assumptions, that affect the application of accounting policies, and 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. Actual amounts may differ from these estimates.

The estimates, and the assumptions underlying them, 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.

Except as otherwise stated below, there are no judgements, estimate and assumptions made by management in the application of IFRS Accounting Standards that may have a significant effect on the financial statements and significant estimate with a significant risk of material adjustment in the next financial year.

Key assumptions and other sources of estimation uncertainty:

Fair value of financial instruments

Fair values of financial assets and liabilities that are traded in active markets are based on quoted market prices. In the absence of quoted market prices, the fair value of a proportion of the group's and the company's financial assets are determined using fair value models. Considerable judgment is required in interpreting market data to arrive at estimates of fair values. Consequently, the estimate arrived at may be significantly different from the actual price of the instrument in arm's length transaction (note 29).

VM Investment Limited

Notes to the Financial Statements

Year ended December 31, 2024

3. Material accounting policies

The group has consistently applied the accounting policies as set out below to all periods presented in these financial statements.

(a) Basis of consolidation

(i) Business combinations

Business combinations are accounted for using the acquisition method at the date on which control is transferred to the group.

The acquisition method of accounting is used to account for all business combinations, regardless of whether the equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises:

- Fair values of the assets transferred
- Fair values of liabilities incurred to the former owners of the acquired business
- Fair value of equity interests issued by the group
- Fair value of any asset or liability resulting from a contingent consideration arrangement; and
- Fair value of any pre-existing equity interest in the subsidiary

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts generally are recognised in profit or loss. Any contingent consideration payable is measured at fair value at the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities, that the group incurs in connection with a business combination are expensed as incurred.

The group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the group. In determining whether a particular set of activities and assets is a business, the group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets. The group decided not to exercise this option.

(ii) Subsidiary

The company has one subsidiary which is controlled by the group. The group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the investee and has the ability to affect those returns through its power over the relevant activities of the investee. The financial statements of the subsidiary is included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(iii) Loss of control

On the loss of control, the group derecognises the assets and liabilities of a subsidiary and other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the group retains any interest in the former subsidiary, then such interest is measured at fair value at the date that control is lost.

(iv) Transactions eliminated on consolidation

Balances and transactions between companies within the group, and any unrealised gains arising from those transactions, are eliminated in preparing the consolidated financial statements.

VM Investment Limited

Notes to the Financial Statements

Year ended December 31, 2024

3. Material accounting policies (continued)

(b) Financial instruments – Classification, recognition, derecognition and measurement

Financial assets comprise cash and cash equivalents, resale agreements, investment securities, loans receivable, net investment in finance leases and accounts receivable (excluding prepayments). Financial liabilities comprise accounts payable, borrowings, amounts due to related parties, lease liabilities and repurchase agreements.

Financial instruments are classified, recognised and measured in accordance with the substance of the terms of the contracts as set out herein.

(i) Recognition and initial measurement

The group recognises a financial instrument when it becomes a party to the contractual terms of the instrument. The group initially recognises accounts receivable on the date when they are originated. All other financial assets and financial liabilities are initially recognised on the trade date.

At initial recognition, the group measures a financial asset or financial liability at its fair value, plus or minus; in the case of a financial asset or financial liability not at fair value through profit or loss transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commissions. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit or loss over the life of the financial instruments.

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.

(ii) Classification and subsequent remeasurement

The group has applied IFRS 9 and classified 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.

Financial assets

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

(a) Debt instruments

Classification and subsequent measurement of debt instruments depend on:

- the group's business model for managing the asset; and
- the cash flow characteristics of the asset.

Based on these factors, the group classifies its debt instruments into one of the following two 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 at [note 3(b)(vi)]. Interest income from these financial assets is included in 'Interest income' calculated using the effective interest method.

VM Investment Limited

Notes to the Financial Statements

Year ended December 31, 2024

3. Material accounting policies (continued)

(b) Financial instruments – Classification, recognition, derecognition and measurement (continued)

(ii) Classification and subsequent remeasurement (continued)

Financial assets (continued)

(a) Debt instruments (continued)

Based on these factors, the group classifies its debt instruments into one of the following two measurement categories (continued):

- 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 a fair value through other comprehensive income (FVOCI). Interest income from these financial assets is included in 'interest income' calculated using the effective interest method.

Business model: the business model reflects how the group manages the assets in order to generate cash flows. That is, whether the group's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets.

Factors considered by the group in determining the business model for a group of assets include:

1. Past experience on how the cash flows for these assets were collected;
2. How the asset's performance is evaluated and reported to key management personnel;
3. How risks are assessed and managed; and
4. How managers are compensated.

For example, 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.

Solely payments of principal and interest (SPPI): 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 (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. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

The group reclassifies debt investments when and only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent, and none occurred during the period.

(b) 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.

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 FVOCI. Equity securities designated at FVOCI are held for business strategic reason and are not traded.

Gains and losses on equity investments at FVTPL are included in the 'Gains from investment activities' caption in the income statement.

VM Investment Limited

Notes to the Financial Statements

Year ended December 31, 2024

3. Material accounting policies (continued)

(b) Financial instruments – Classification, recognition, derecognition and measurement (continued)

(ii) Classification and subsequent remeasurement (continued)

Financial liabilities

Financial liabilities are classified as and subsequently measured at amortised cost.

(iii) Derecognition

The group derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in other comprehensive income (OCI) is recognised in profit or loss. For debt instruments, any cumulative gains or losses that had been recognised in other comprehensive income are recycled through the income statement.

Any cumulative gains or losses recognised in OCI in respect of equity investment securities designated as at FVOCI are not recognised in profit or loss on derecognition of such securities [note 3(b)(iii)]. Any interest in transferred financial assets that qualify for derecognition that is created or retained by the group is recognised as a separate asset or liability.

The group enters into transactions whereby it transfers assets recognised on its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets or a portion of them. In such cases, the transferred assets are not derecognised. Examples of such transactions are securities lending and sale-and-repurchase transactions.

In transactions in which the group neither retains nor transfers substantially all of the risks and rewards of ownership of a financial asset and it retains control over the asset, the group continues to recognise the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset.

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.

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.

(iv) Measurement and gains and losses

The 'investment securities' caption in the statement of financial position includes:

- debt investment securities measured at amortised cost which are initially measured at fair value plus incremental direct transaction costs, and subsequently at their amortised cost using the effective interest method;
- debt securities measured at FVOCI;
- equity investment securities measured at FVTPL with fair value changes recognised immediately in profit or loss and;
- equity investment securities designated as at FVOCI.

For debt securities measured at FVOCI, gains and losses are recognised in OCI, except for the following, which are recognised in profit or loss in the same manner as for financial assets measured at amortised cost:

- interest revenue using the effective interest method;
- ECL charges and reversals; and
- foreign exchange gains and losses.

When debt security measured at FVOCI is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss.

The group elects to present in OCI changes in the fair value of certain investments in equity instruments that are not held for trading. The election is made on an instrument-by-instrument basis on initial recognition and is irrevocable.

VM Investment Limited

Notes to the Financial Statements

Year ended December 31, 2024

3. Material accounting policies (continued)

(b) Financial instruments – Classification, recognition, derecognition and measurement (continued)

(iv) Measurement and gains and losses (continued)

Gains and losses on such equity instruments are never reclassified to profit or loss and no impairment is recognised in profit or loss. Dividends are recognised in profit or loss unless they clearly represent a recovery of part of the cost of the investment, in which case they are recognised in OCI. Cumulative gains and losses recognised in OCI are transferred to retained earnings on disposal of an investment.

Specific financial instruments

(1) Derivatives

Derivatives are financial instruments that derive their value from the price of the underlying items such as equities, bond, interest rate, foreign exchange or other indices. Derivatives enable users to increase, reduce or alter exposure to credit or market risk.

The group may use derivatives to manage its own exposure to foreign exchange risk. Derivatives held for risk management purposes are measured initially at fair value in the statement of financial position. Subsequent to initial recognition, derivatives are measured at fair value, and, if the derivative is not held for trading, and is not designated in a qualifying hedge relationship, changes in fair value are recognised immediately in profit or loss.

(2) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents comprise short-term highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value and are held for the purpose of meeting short-term commitments (these investments include short-term deposits where the maturities do not exceed three months from the acquisition date). Cash and cash equivalents are measured and classified at amortised cost.

(3) Resale and repurchase agreements

Resale agreements are accounted for as short-term collateralised lending and classified at amortised cost. They are measured at fair value on initial recognition and subsequently, at amortised cost. The difference between the purchase cost and the resale consideration is recognised in the income statement as interest income using the effective interest method.

The group enters into transactions whereby it transfers assets but retains either all risks or rewards of the transferred assets or a portion of them. If all or substantially all risks and rewards are retained, then the transferred assets are not derecognised. Transfers of assets with retention of all or substantially all risks and rewards include, for example, securities lending and repurchase transactions. Repurchase agreements are accounted for as short-term collateralised borrowing and are classified as other liabilities. On initial recognition and subsequently, the securities given as collateral are retained in the statement of financial position and measured in accordance with their original measurement principles.

The proceeds of sale are reported as liabilities and are carried at amortised cost. The difference between the sale consideration and the repurchase price is recognised in the income statement over the life of each agreement as interest expense using the effective interest method.

(4) Accounts receivable

Accounts receivable (excluding prepayments) are classified and measured at amortised cost less impairment losses. Withholding taxes deducted and withheld from source of income such as dividends and/or interest income is measured at amortised cost. General consumption taxes (GCT) which are value added taxes in the local jurisdiction are recoverable from tax authorities and deducted from amounts payable. Withholding taxes and GCT payable or recoverable are measured at amortised cost.

(5) Accounts payable

Accounts payable are classified and measured at amortised cost.

VM Investment Limited

Notes to the Financial Statements

Year ended December 31, 2024

3. Material accounting policies (continued)

(b) Financial instruments – Classification, recognition, derecognition and measurement (continued)

(v) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted under IFRS, or for gains and losses arising from a group of similar transactions such as in the group's trading activity.

(vi) Impairment

The group recognises loss allowances for expected credit losses (ECL) on the following financial instruments that are not measured at FVTPL:

- financial assets that are debt instruments; and
- lease receivables.

The group measures loss allowances at an amount equal to lifetime ECL, except for the following, for which they are measured as 12-month ECL:

- debt investment securities that are determined to have low credit risk at the reporting date; and
- other financial instruments (other than lease receivables) on which credit risk has not increased significantly since their initial recognition.

Loss allowances for lease receivables are always measured at an amount equal to lifetime ECL.

The group considers a debt investment security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'. The group does not apply the low credit risk exemption to any other financial instruments.

12-month ECL are the portion of ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Financial instruments for which a 12-month ECL is recognised are referred to as 'Stage 1 financial instruments'.

Lifetime ECL are the ECL that result from all possible default events over the expected life of the financial instrument. Financial instruments for which a lifetime ECL is recognised but which are not credit-impaired are referred to as 'Stage 2 financial instruments'.

Measurement of ECL

ECL are a probability-weighted estimate of credit losses. They are measured as follows:

- financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the group expects to receive);
- financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows;
- undrawn loan commitments: as the present value of the difference between the contractual cash flows that are due to the company if the commitment is drawn and the cash flows that the company expects to receive; and
- financial guarantee contracts: the expected payments to reimburse the holder less any amounts that the group expects to recover.

Credit-impaired financial assets

At each reporting date, the group assesses whether financial assets carried at amortised costs are credit-impaired (referred to as 'Stage 3 financial assets'). A financial asset is 'credit-impaired' when one or more events of default have an impact on the estimated future cash flows of the financial asset.

VM Investment Limited

Notes to the Financial Statements

Year ended December 31, 2024

3. Material accounting policies (continued)

(b) Financial instruments – Classification, recognition, derecognition and measurement (continued)

(vi) Impairment (continued)

Measurement of ECL (continued)

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- the restructuring of a loan or advance by the group on terms that the company would not consider otherwise;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

A loan that has been renegotiated due to a deterioration in the borrower's condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment. In addition, a loan that is overdue for 90 days or more is considered credit-impaired even when the regulatory definition of default is different.

In making an assessment of whether an investment in sovereign debt is credit-impaired, the group considers the following factors.

- The market's assessment of creditworthiness as reflected in the bond yields.
- The rating agencies' assessments of creditworthiness.
- The country's ability to access the capital markets for new debt issuance.
- The probability of the debt being restructured, resulting in holders suffering losses through voluntary or mandatory debt forgiveness.
- The international support mechanisms in place to provide the necessary support as 'lender of last resort' to that country, as well as the intention, reflected in public statements, of governments and agencies to use those mechanisms. This includes an assessment of the depth of those mechanisms and, irrespective of the political intent, whether there is the capacity to fulfil the required criteria.

Presentation of allowance for ECL in the statement of financial position

Allowances for ECL are presented in the statement of financial position as follows:

- financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets.
- debt instruments measured at FVOCI: no loss allowance is recognised in the statement of financial position because the carrying amount of these assets is their fair value. However, the loss is recognised in profit or loss as a reclassification from OCI.

Write-off

Loans, accounts receivable and debt securities are written off (either partially or in full) when there is no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. This assessment is carried out at the individual asset level.

Recoveries of amounts previously written off are included in 'impairment losses on financial instruments' in the statement of profit or loss and OCI.

Financial assets that are written off could still be subject to enforcement activities in order to comply with the company's procedures for recovery of amounts due.

VM Investment Limited

Notes to the Financial Statements

Year ended December 31, 2024

3. Material accounting policies (continued)

(c) Interest in associates

Associates are those entities in which the group has significant influence, but not control or joint control, over the financial and operating policies. Interest in associate is accounted for using the equity method for the group and company.

It is recognised separately and initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the group's and the company's share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence ceases.

When the group's and company's share of losses exceeds its interest in an associate, the group's and company's carrying amount is reduced to $Nil and recognition of further losses is discontinued, except to the extent that the group and company has incurred legal or constructive obligations or made payments on behalf of an associate. If the associate subsequently reports profits, the group and company resumes recognising their share of those profits only after their share of profits equals the share of accumulated losses not recognised.

(d) Foreign currencies

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated at the foreign exchange rates ruling at that date. Transactions in foreign currencies are translated at the foreign exchange rates ruling at the date of the transaction. Gains and losses arising on translation are recognised in profit or loss.

(e) Property, plant and equipment

Land is measured at historical cost. All other items of property, plant and equipment are measured at historical cost less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied in the part will flow to the group and its cost can be reliably measured.

The cost of day-to-day servicing of property, plant and equipment is recognised in profit or loss as incurred.

Depreciation is charged on the straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. The estimated useful lives are as follows:

Computers	5 years
Furniture and fixtures	10 years
Leasehold improvements	5 years
Right-of-use assets (leasehold properties)	7-10 years (over lease-term)
Buildings	40 years

Depreciation methods, useful lives and residual values are reassessed at each reporting date.

(f) Intangible assets

Computer software

Costs that are directly associated with acquiring identifiable and unique software products which are expected to generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Costs associated with maintaining computer software programs are recognised in profit or loss as incurred.

Exclusive rights

Exclusive rights arise from the acquisition of VM Wealth Funds Limited [formerly Republic Funds (Barbados) Incorporated] and represent the group's exclusive right to benefit from the management of the Funds and to appoint the manager of the Funds.

Amortisation

These assets are measured at cost less accumulated amortisation and, if any, impairment losses [note (3)(i)]. Intangible assets are amortised using the straight-line method over their useful lives.

The estimated useful lives are as follows:

Computer software	5-7 years
Exclusive rights	20 years

Amortisation methods, useful lives and residual values are reassessed at each reporting date.

VM Investment Limited

Notes to the Financial Statements

Year ended December 31, 2024

3. Material accounting policies (continued)

(g) Employee benefits

(i) General benefits

Employee benefits that are earned as a result of past or current service are recognised in the following manner: Short-term employee benefits are recognised as a liability, net of payments made, and charged as expense. The expected cost of vacation leave that accumulates is recognised when the employee becomes entitled to the leave. Post-employment benefits are accounted for as described in (ii) and (iii) below. Other long-term benefits, including termination benefits, which arise when either (1) the employer decides to terminate an employee's employment before the normal retirement date or (2) an employee decides to accept voluntary redundancy in exchange for termination benefits, are accrued as they are earned and charged as an expense, unless not considered material, in which case they are charged when they fall due.

Post-employment obligations included in these financial statements are actuarially determined by a qualified independent actuary. The appointed actuary's report outlines the scope of the valuation and the actuary's opinion. The actuarial valuation was conducted in accordance with IAS 19, and the financial statements reflect the group's post-employment benefit obligations as computed by the actuary.

(ii) Defined-benefit pensions

The subsidiary company is a participating employer in a group defined-benefit pension plan operated by a related party. The related party is directly responsible for any deficit in the plan. Additionally, all residual interest in the scheme belongs to the related party. The plan is, therefore, accounted for as a defined-contribution plan in the financial statements of the individual participating subsidiaries. Each year, the sponsoring entity charges a contribution to each of the group entities on an annual basis, based on the contributions recommended by the actuary.

The subsidiary company also participates in a defined contribution plan [see note 16(a)]. Pension contributions are expensed as they become due.

(iii) Employee medical benefits

The subsidiary company provides post-employment medical benefits to retirees.

The group's net obligation in respect of medical benefits provided to retirees is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that value is discounted to determine the present value.

The discount rate is the yield on long-term government securities that have maturity dates approximating the terms of the group's obligation. The calculation is performed by an independent, qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, which comprises actuarial gains and losses are recognised immediately in other comprehensive income (OCI). The group determines the net interest expense on the defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the defined benefit liability, taking into account any changes in the defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to the defined benefit plan are recognised in profit or loss.

When the benefits of the plan are changed or when the plan is curtailed, the portion of the change in benefit relating to past service by employees is recognised as an expense immediately in profit or loss. To the extent that the benefits vest immediately, the expense is recognised immediately in profit or loss.

VM Investment Limited

Notes to the Financial Statements

Year ended December 31, 2024

3. Material accounting policies (continued)

(h) Income tax

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in profit or loss, except to the extent that it relates to items recognised directly in other comprehensive income, in which case it is also recognised in other comprehensive income.

Current income tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the reporting date, and any adjustment to income tax payable in respect of previous years.

Deferred income tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on laws that have been enacted by the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for the group. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

(i) Impairment of non-financial assets

The carrying amounts of the group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount.

The recoverable amount of non-financial assets is the greater of its value in use and its fair value less costs to sell.

Impairment losses are recognised in the income statement.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(j) 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.

(a) As a lessee

At commencement or on modification of a contract that contains a lease component, the group allocates the consideration in the contracts to each lease component on the basis of its relative stand-alone prices.

Non-lease components have been separated for leases of properties.

The group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the group by the end of the lease term or the cost of the right-of-use asset reflects that the group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

VM Investment Limited

Notes to the Financial Statements

Year ended December 31, 2024

3. Material accounting policies (continued)

(i) Leases (continued)

(a) As a lessee (continued)

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the group's incremental borrowing rate. Generally, the group uses its incremental borrowing rate as the discount rate.

The group determines its incremental borrowing rate by obtaining interest rates from The Victoria Mutual Building Society and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the group is reasonably certain to exercise, lease payments in an optional renewal period if the company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the company is reasonably certain not to terminate early.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the group's estimate of the amount expected to be payable under a residual value guarantee, if the group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The group presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities as such in the statement of financial position.

Short-term leases

The group has elected not to recognise right-of-use assets and lease liabilities for lease that are considered short-term leases. The group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(b) As a lessor

At inception or on modification of a contract that contains a lease component, the group allocates the consideration in the contract to each lease component on the basis of their relative standalone prices.

When the group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

If an arrangement contains lease and non-lease components, then the group applies IFRS 15 to allocate the consideration in the contract.

The group applies the derecognition and impairment requirements in IFRS 9 to the net investment in the lease. The group further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

VM Investment Limited

Notes to the Financial Statements

Year ended December 31, 2024

3. Material accounting policies (continued)

(k) Interest

(i) Effective interest rate

Interest income and expenses are recognised in profit or loss using the effective interest method.

When calculating the effective interest rate for financial instruments other than purchased or originated credit-impaired assets, the group estimates future cash flows considering all contractual terms of the financial instrument, but not ECL. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated using estimate future cash flows including ECL.

The calculation of the effective interest rate includes transaction costs and fees and points paid or received that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or financial liability.

(ii) Presentation

Interest income calculated using the effective interest method presented in the income statement includes interest on financial assets measured at amortised cost and interest on debt instruments measured at FVOCI; interest expense presented in the income statement includes financial liabilities measured at amortised cost and interest expense on lease liabilities.

(l) Gain or loss from trading and holding securities

Gain or loss on securities trading is recognised when the group becomes a party to a contract to dispose of the securities, or, in the case of financial assets measured at fair value, upon remeasurement of those assets.

(m) Dividend income

Dividends are recognised in the income statement when the group's irrevocable right to receive payment is established.

(n) Fee and commission income

Fee and commission income from contracts with customers is measured based on the consideration specified in a contract with a customer. The group recognises revenue when it transfers control over a service to a customer.

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies.

Type	Nature and timing of satisfaction of performance obligation, including significant payment term	Revenue recognition under IFRS 15
Brokerage services	The group provides stockbroking services to customers. A fixed fee is charged for each transaction executed.	Revenue related to transactions is recognised at the point in time when the transaction takes place.
Corporate advisory services	The group provides finance-related services including loan administration services, administration of a loan syndication, execution of client transactions with exchanges and securities underwriting. Transaction-based fees for administration of a loan syndication, execution of transactions, and securities underwriting are charged when the transaction takes place.	Revenue related to transactions is recognised at the point in time when the transaction takes place.

VM Investment Limited

Notes to the Financial Statements

Year ended December 31, 2024

3. Material accounting policies (continued)

(n) Fee and commission income (continued)

Type	Nature and timing of satisfaction of performance obligation, including significant payment term	Revenue recognition under IFRS 15
Portfolio asset management service	The group provides portfolio/asset management services. Fees for provides portfolio/asset management services are calculated based on a fixed percentage of the value of assets managed and deducted from the customer's account balance on a monthly basis.	Revenue from portfolio/asset management services is recognised over time as the services are provided.

(o) Share capital

The company's ordinary shares are classified as equity instruments in accordance with the substance of the contractual terms of the instrument. Dividends thereon are recognised when declared as distributions within equity.

Incremental costs directly attributable to the issue of an equity instrument are deducted from the initial measurement of the equity instrument.

(p) Segment reporting

An operating segment is a component of the group that engages in business activities from which it may earn revenues and incur expenses; whose operating results are regularly reviewed by the entity's Chief Operating Decision Maker (CODM) to make decisions about resources to be allocated to the segment and assesses its performance; and for which discrete financial information is available. The group's activities are limited to revenue earned from securities, operating in a single segment, therefore no additional segment information is provided.

4. Cash and cash equivalents

	Group		Company	
	2024 $'000	2023 $'000	2024 $'000	2023 $'000
Bank accounts	1,435,520	857,988	114,452	101,332
Accounts with brokers	33,770	19,667	-	-
	1,469,290	877,655	114,452	101,332

5. Resale agreements

The group purchases government and corporate securities and agrees to resell them on a specified date and at a specified price ('resale agreements').

	Group	
	2024 $'000	2023 $'000
Denominated in Jamaica dollars	500,000	1,135,000
Denominated in United States dollars [US$2,325,000 (2023: US$2,827,519)]	361,775	436,196
	861,775	1,571,196
Less allowance for expected credit losses [note 28(b)(v)(d)]	-	(511)
	861,775	1,570,685

	Company	
	2024 $'000	2023 $'000
Denominated in Jamaica dollars	410,974	215,454
Denominated in United States dollars [US$180,000 (2023: $Nil)]	28,008	-
	438,982	215,454

Under collateralised resale agreements, the group obtains securities as collateral on terms which permit it to re-pledge or resell them to others under repurchase agreements as set out in note 15. At December 31, 2024, securities that the group and company held under repurchase arrangements had a fair value of $931,372,000 (2023: $1,858,735,000) and $450,309,000 (2023: $228,928,000), respectively.

VM Investment Limited

Notes to the Financial Statements

Year ended December 31, 2024

6. Investment securities

	Group 2024 $'000	Group 2023 $'000	Company 2024 $'000	Company 2023 $'000
Investment securities at FVTPL:				
Unquoted equities	77,320	77,280	77,320	77,280
Quoted equities	382,557	347,044	381,789	346,087
Redeemable preference shares	216,920	416,140	216,920	416,140
US$ convertible preference share [US$5,150,000 (2023:US$ Nil]	801,351	747,104	801,351	747,104
Convertible corporate note	14,153	-	14,153	-
Unit trusts:				
Unit in trust funds	595,455	227,953	224,786	-
	2,087,756	1,815,521	1,716,319	1,586,611
Debt securities at amortised cost:				
Corporate bonds	553,227	766,080	553,227	766,080
Bank of Jamaica (BOJ) securities:				
Certificates of deposit	-	50,000	-	50,000
Preference shares	365,000	-	-	-
Government of Jamaica securities:				
Investment notes	-	63,478	-	63,478
	918,227	879,558	553,227	879,558
Investment securities at FVOCI:				
Jamaica quoted equities	678,300	510,000	-	-
Debt securities at FVOCI:				
Government of Jamaica securities:				
Treasury bills	1,000	-	-	-
Investment notes	5,499,841	5,446,669	-	-
US$ bonds [US$42,722,796 (2023: US$43,743,425)]	6,647,761	6,748,215	-	-
	12,148,602	12,194,884	-	-

	Group 2024 $'000	Group 2023 $'000	Company 2024 $'000	Company 2023 $'000
BOJ securities:				
Certificates of deposit	824,068	306,873	-	-
Foreign government securities:				
US$ bonds [US$5,799,025 (2023: US$5,842,822)]	902,341	901,361	-	-
Other public sector securities [US$103,662 (2023: US$1,308,631)]	16,130	201,880	-	-
Corporate bonds				
[US$4,876,808 (2023: US$4,084,921)]	1,178,500	630,173	-	-
J$ Corporate bonds	733,061	850,947	-	-
	1,911,561	1,481,120	-	-
[Note 28 (b)(iv)]	15,802,702	15,086,118	-	-
Total investment securities before allowance for impairment	19,486,985	18,291,197	2,269,546	2,466,169
Less allowance for impairment on instruments at amortised cost [note 28(b)(v)(d)]	(15,424)	(14,433)	(10,305)	(14,433)
	19,471,561	**18,276,764**	**2,259,241**	**2,451,736**
Allowance for impairment on debt investments at FVOCI [note 28(b)(iv)(d)]	(23,283)	(30,200)	-	-

VM Investment Limited

Notes to the Financial Statements

Year ended December 31, 2024

6. Investment securities (continued)

Investment securities mature (exclude allowance for impairment), in relation to the reporting date, as follows:

	Group 2024					
	Current		Non-current			
	Within 3 month	3 months to 1 year	1 to 5 years	More than 5 years	No maturity	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Investment securities at FVTPL:						
Unquoted equities	-	-	-	-	77,320	77,320
Quoted equities	-	-	-	-	382,557	382,557
Redeemable preference shares	-	-	216,920	-	-	216,920
US$ convertible preference shares	-	-	801,351	-	-	801,351
Convertible corporate note	-	-	-	14,153	-	14,153
Unit in unit trust funds	-	-	-	-	595,455	595,455
	-	-	1,018,271	14,153	1,055,332	2,087,756
Debt securities at amortised cost:						
Corporate bonds	-	-	459,982	93,335	-	553,227
Preference shares	-	-	365,000	-	-	365,000
	-	-	824,982	93,335	-	918,227
Investment securities at FVOCI:						
Jamaican quoted equities	-	-	-	-	678,300	678,300
Debt instruments at FVOCI:						
BOJ securities	824,068	-	-	-	-	824,068
Investment notes	299,118	537	1,952,745	3,247,441	-	5,499,841
Treasury bills	1,000	-	-	-	-	1,000
US$ bonds	-	178,717	2,411,869	4,057,175	-	6,647,761
Foreign government securities	-	-	598,728	303,613	-	902,341
Other public sector securities	-	-	16,130	-	-	16,130
Corporate bonds	-	-	1,178,500	733,061	-	1,911,561
	1,124,186	179,254	6,157,972	8,341,290	-	15,802,702
	1,124,186	179,254	8,001,135	8,448,778	1,733,632	19,486,985

	Group 2023					
	Current		Non-current			
	Within 3 month	3 months to 1 year	1 to 5 years	More than 5 years	No maturity	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Investment securities at FVTPL:						
Unquoted equities	-	-	-	-	77,280	77,280
Quoted equities	-	-	-	-	347,044	347,044
Redeemable preference shares	-	-	416,140	-	-	416,140
US$ convertible preference shares	-	-	747,104	-	-	747,104
Unit in unit trust funds	-	-	-	-	227,953	227,953
	-	-	1,163,244	-	652,277	1,815,521
Debt securities at amortised cost:						
Corporate bonds	-	-	435,000	331,080	-	766,080
BOJ securities	-	50,000	-	-	-	50,000
Investment notes	-	-	63,478	-	-	63,478
	-	50,000	498,478	331,080	-	879,558
Investment securities at FVOCI:						
Jamaican quoted equities	-	-	-	-	510,000	510,000
Debt instruments at FVOCI:						
BOJ securities	306,873	-	-	-	-	306,873
Investment notes	311,207	-	1,288,875	3,846,587	-	5,446,669
US$ bonds	-	-	2,755,763	3,992,452	-	6,748,215
Foreign government securities	-	-	448,585	452,776	-	901,361
Other public sector securities	-	178,180	23,700	-	-	201,880
Corporate bonds	-	-	850,947	630,173	-	1,481,120
	618,080	178,180	5,367,870	8,921,988	-	15,086,118
	618,080	228,180	7,029,592	9,253,068	1,162,277	18,291,197

VM Investment Limited

Notes to the Financial Statements

Year ended December 31, 2024

6. Investment securities (continued)

Investment securities mature (exclude allowance for impairment), in relation to the reporting date, as follows (continued):

	Company 2024				
	Current	Non-current			
	3 months to 1 year	1 to 5 years	More than 5 years	No maturity	Total
	$'000	$'000	$'000	$'000	$'000
Investment securities at FVTPL:					
Unquoted equities	-	-	-	77,320	77,320
Quoted equities	-	-	-	381,789	381,789
Redeemable preference shares	-	216,920	-	-	216,920
US$ convertible preference shares	-	801,351	-	-	801,351
Convertible corporate note	-	-	14,153	-	14,153
Unit in trust funds	-	-	-	224,786	224,786
	-	1,018,271	14,153	683,895	1,716,319
Debt securities at amortised cost:					
Corporate bonds	-	459,989	93,335	-	553,227
	-	1,478,260	107,488	683,895	2,269,546

	Company 2023				
	Current	Non-current			
	3 months to 1 year	1 to 5 years	More than 5 years	No maturity	Total
	$'000	$'000	$'000	$'000	$'000
Investment securities at FVTPL:					
Unquoted equities	-	-	-	77,280	77,280
Quoted equities	-	-	-	346,087	346,087
Redeemable preference shares	-	416,140	-	-	416,140
US$ convertible preference shares	-	747,104	-	-	744,104
	-	1,163,244	-	423,367	1,586,611
Debt securities at amortised cost:					
Corporate bonds	-	435,000	331,080	-	766,080
BOJ securities	50,000	-	-	-	50,000
Investment notes	-	63,478	-	-	63,478
	50,000	498,478	331,080	-	879,558
	50,000	1,661,722	331,080	423,367	2,466,169

Certain Bank of Jamaica, Government of Jamaica and foreign government securities are pledged as collateral for repurchase agreements (see note 15).

Government of Jamaica securities having an aggregate face value of $44,233,000 (2023: $36,000,000) have been pledged as collateral against possible overdrafts and uncleared effects at one of the subsidiary company's bankers. The fair value of the securities is $44,233,000 (2023: $36,000,000).

VM Investment Limited

Notes to the Financial Statements

Year ended December 31, 2024

6. Investment securities (continued)

Equity investment securities designated at FVOCI

The following table shows investments in equity securities that are designated at FVOCI. The FVOCI designation was made because the investments are expected to be held for the long term.

	Group – Jamaica Stock Exchange			
	Fair value		Dividend income recognised	
	2024 $'000	2023 $'000	2024 $'000	2023 $'000
At beginning of year	510,000	808,350		
Net fair value gains/(losses) recognised during the year	168,300	(298,350)	17,392	6,634
At end of year	678,300	510,000		

None of these investments were disposed of during the year ended December 31, 2024 (2023: $Nil). The change in fair value on these investments was $168,300,000 for the year ended December 31, 2024 (2023: $298,350,000).

Debt instruments designated at FVOCI

The following table shows the movement in the gross carrying value of debt instruments designated at FVOCI:

	Group	
	2024 $'000	2023 $'000
Balance at beginning of year	15,086,118	15,644,789
New debt instruments originated or purchased	60,291,072	39,335,842
Debt instruments derecognised	(59,421,722)	(39,989,142)
Purchased premiums amortised	(266,524)	(332,973)
Fair value gains recognised during the year in OCI	38,114	226,575
Effect of changes in foreign exchange rates	75,644	201,027
Balance at end of year	15,802,702	15,086,118

7. Interest in associates

	Group and Company	
	2024 $'000	2023 $'000
Carrying amount of interest in associates:		
Kingston Properties Limited (KPREIT)	1,875,084	1,719,260

In August 29, 2019, the company acquired 30% shareholding in Carilend Caribbean Holdings Ltd. (Carilend) at an initial cost of $106,103,000. In the prior year, the carrying value was $Nil. In the current reporting period, the company disposed of its 30% interest in Carilend. The investment was sold to its parent company, VM Financial Group Limited [note 30(d)(i)].

Effective December 30, 2022, the company acquired 23% shareholding in Kingston Properties Limited (KPREIT).

The following table summarises the financial information of KPREIT as included in its own audited financial statements as at and for the year ended December 31, 2024, adjusted for fair value adjustments. The financial statements of KPREIT are denominated in United States dollars.

	Group and Company	
	2024 $'000	2023 $'000
Percentage ownership interest in KPREIT	**23%**	**23%**
Non-current assets	12,550,102	10,322,387
Current assets	924,396	623,920
Total assets	13,474,498	10,946,307
Non-current liabilities	(4,824,510)	(3,221,889)
Current liabilities	(587,778)	(338,927)
Total liabilities	(5,412,288)	(3,560,816)
Net assets (100%)	8,062,210	7,385,491
Group's share of net assets	1,854,309	1,698,664
Goodwill and intangible asset recognised on acquisition	20,775	20,596
Carrying amount of interest in KPREIT	**1,875,084**	**1,719,260**
Revenue	1,474,158	1,083,830
Profit from continuing operations	840,737	714,832
Share of profit from continuing operations	**193,370**	**164,411**

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7. Interest in associates (continued)

The following table provides a movement in the carrying value of KPREIT:

	Group and Company	
	2024	2023
	$'000	$'000
At beginning of year	1,719,260	1,576,198
Share of profit from continuing operations	193,370	164,411
Currency translation adjustment	14,648	37,772
Dividends received during the year	(52,194)	(59,121)
At end of year	1,875,084	1,719,260

The fair value of the interest in KPREIT indicated by its quoted price on the Jamaica Stock Exchange as at December 31 2024 was J$1,921,939,000 (2023: J$1,637,208,000).

8. Interest in subsidiary

	Company	
	2024	2023
	$'000	$'000
Shares in subsidiary – VM Wealth Management Limited	1,009,500	1,009,500
Contribution to subsidiary – VM Wealth Management Limited	56,017	-
	1,065,517	1,009,500

On January 19, 2024, the company acquired VM Wealth Funds Limited [formerly Republic Funds (Barbados) Incorporated] having received the approval of regulators in Barbados and Jamaica. The acquisition of the stated capital in VM Wealth Funds Limited for the aggregate amount of $56,017,000 confers only the exclusive rights for the company to manage and appoint the investment manager for the funds. Consequently, the acquisition is recognised as a contribution to the subsidiary company.

The company's subsidiary, VM Wealth Management Limited has been appointed as administrator of the Mutual Funds, comprising:

VM Wealth Capital Growth Fund (formerly Republic Capital Growth Fund)
VM Wealth Income Fund (formerly Republic Income Fund)
VM Wealth Property Fund (formerly Republic Property Fund)

9. Loans receivable

	Group and Company	
	2024	2023
	$'000	$'000
Margin loans	2,752,059	2,867,307
Corporate loans	1,911,893	2,073,731
	4,663,952	4,941,038
Less allowance for impairment on instruments at amortised cost [note 28(b)(v)(d)]	(561,718)	(289,370)
	4,102,234	4,651,668

While the gross carrying amount of the loans receivable is decreasing, the loss allowance is increasing due to the deterioration in the quality of collateral held (shares) for a portion of the loans. The collateral held represented 87% (2023: 63%) of the loan value. For such loans that were exposed to this deterioration in the collateral held, there was no default in repayments by the customer.

The following table shows the movement in gross carrying value of loan receivable:

	Group and Company	
	2024	2023
	$'000	$'000
At beginning of year	4,941,038	5,549,288
New loans granted	1,200,096	1,235,646
Loan repayments	(1,476,439)	(1,833,898)
Effect of changes in foreign exchange rates	(743)	(9,998)
At end of year	4,663,952	4,941,038

VM Investment Limited

Notes to the Financial Statements

Year ended December 31, 2024

10. Accounts receivable and prepayments

	Group 2024 $'000	Group 2023 $'000	Company 2024 $'000	Company 2023 $'000
Customer receivables	130,720	46,336	-	-
Interest receivable [note 28(b)(iv)]	324,311	334,958	82,928	86,889
GCT recoverable	8,647	1,954	8,647	1,954
Dividend receivable	3,270	1,311	3,270	1,311
Prepaid expenses	26,192	72,190	8,130	7,080
Other receivables	92,995	27,397	57,203	10,541
	455,415	437,810	160,178	107,775
	586,135	484,146	160,178	107,775

(a) The balances are reflected net of expected credit loss allowances as follows:

	Group 2024 $'000	Group 2023 $'000
At beginning of the year	231,316	241,637
(Decrease)/increase in allowance [note 28(b)(v)(f)]	(102,066)	(10,321)
At end of year [note 28(b)(v)(e)]	129,250	231,316

(b) Reconciliation of amounts due from related parties included in accounts receivable

Group 2024	Included in interest receivable $'000	Other accounts receivable $'000	Total [note 30(c)] $'000
Due from immediate parent company [note 30(c)]	61,311	5,046	66,357
Due from related parties [note 30(c)]	-	30,637	30,637

Company 2024	Included in interest receivable $'000	Other accounts receivable $'000	Total [note 30(c)] $'000
Due from immediate parent company [note 30(c)]	61,207	5,046	66,253
Due from subsidiary company [note 30(c)]	117	-	117

Group 2023	Included in interest receivable $'000	Other accounts receivable $'000	Total [note 30(c)] $'000
Due from related parties [note 30(c)]	634	3,485	4,119

Company 2023	Included in interest receivable $'000	Other accounts receivable $'000	Total [note 30(c)] $'000
Due from subsidiary company [note 30(c)]	200	-	200
Due from related parties [note 30(c)]	-	1,997	1,997

VM Investment Limited

Notes to the Financial Statements

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11. Deferred tax asset

	Group 2024			
	2023 $'000	Recognised in OCI $'000	Recognised in income (note 27) $'000	2024 $'000
Property, plant and equipment	50,091	-	15,375	65,466
Right-of-use assets	(21,914)	-	3,767	(18,147)
Investment securities	1,081,863	(10,398)	40,298	1,111,763
Accounts receivable	77,099	-	(38,881)	38,218
Interest receivable	(103,369)	-	48,609	(54,760)
Interest payable	54,405	-	(9,993)	44,412
Accounts payable	4,896	-	(1,382)	3,514
Accrued vacation leave	7,189	-	(5,473)	1,716
Employee benefit obligation	99	3,300	(9,667)	(6,268)
Finance leases	11,070	-	2,578	13,648
Unused tax losses	35,404	-	99,264	134,668
Lease liabilities	25,865	-	(4,192)	21,673
Unrealised foreign exchange	(2,384)	-	1,264	(1,120)
	1,220,314	(7,098)	141,567	1,354,783

	Group 2023			
	2022 $'000	Recognised in OCI $'000	Recognised in income (note 27) $'000	2023 $'000
Property, plant and equipment	32,237	-	17,854	50,091
Right-of-use assets	(18,147)	-	(3,767)	(21,914)
Investment securities	1,060,325	(62,284)	83,822	1,081,863
Accounts receivable	80,546	-	(3,447)	77,099
Interest receivable	(99,045)	-	(4,324)	(103,369)
Dividend receivable	(538)	-	538	-
Interest payable	58,545	-	(4,140)	54,405
Accounts payable	-	-	4,896	4,896
Accrued vacation leave	1,432	-	5,757	7,189
Employee benefit obligation	(1,101)	600	600	99
Finance leases	8,254	-	2,816	11,070
Unused tax losses	-	-	35,404	35,404
Lease liabilities	22,116	-	3,749	25,865
Unrealised foreign exchange	(3,915)	-	1,531	(2,384)
	1,140,709	(61,684)	141,289	1,220,314

	Company				
	2022 (note 27) $'000	Recognised in income $'000	2023 $'000	Recognised in income (note 27) $'000	2024 $'000
Property, plant and equipment	(619)	2,256	1,637	(1,142)	495
Interest receivable	(8,297)	(12,577)	(20,874)	46,264	25,390
Investment securities	7,495	22,095	29,590	(18,176)	11,414
Finance leases	8,254	2,816	11,070	2,578	13,648
Accounts payable	-	4,896	4,896	(1,382)	3,514
Interest payable	9,740	(9,740)	-	-	-
Unused tax losses	-	35,404	35,404	99,264	134,668
	16,573	45,150	61,723	127,406	189,129

VM Investment Limited

Notes to the Financial Statements

Year ended December 31, 2024

12. Property, plant and equipment

	Group				
	Leasehold property [note 18(a)(i)] $'000	Computer equipment $'000	Furniture and fixtures $'000	Leasehold improvements $'000	Total $'000
Cost:					
December 31, 2022	99,275	36,859	112,687	31,116	279,937
Additions	-	727	113	-	840
December 31, 2023	99,275	37,586	112,800	31,116	280,777
Additions	-	3,083	254	5,401	8,738
December 31, 2024	99,275	40,669	113,054	36,517	289,515
Depreciation:					
December 31, 2022	44,835	26,491	44,235	28,291	143,852
Charge for the year	11,302	4,063	10,228	1,738	27,331
December 31, 2023	56,137	30,554	54,463	30,029	171,183
Charge for the year	11,302	4,062	9,539	1,549	26,452
December 31, 2024	67,439	34,616	64,002	31,578	197,635
Net book values:					
December 31, 2024	31,836	6,053	49,052	4,939	91,880
December 31, 2023	43,138	7,032	58,337	1,087	109,594

13. Intangible assets

	Group		
	Computer software $'000	Exclusive rights $'000	Total $'000
Cost:			
December 31, 2022	577,190	-	577,190
Additions	12,488	-	12,488
December 31, 2023	589,678	-	589,678
Additions	58,583	56,017	114,600
Transfers from prepayments	61,675	-	61,675
December 31, 2024	709,936	56,017	765,953
Amortisation:			
December 31, 2022	276,713	-	276,713
Charge for the year	76,096	-	76,096
December 31, 2023	352,809	-	352,809
Charge for the year	75,639	2,801	78,440
December 31, 2024	428,448	2,801	431,249
Net book values:			
December 31, 2024	281,488	53,216	334,704
December 31, 2023	236,869	-	236,869

Exclusive rights arise from the acquisition of VM Wealth Funds Limited [formerly Republic Funds (Barbados) Incorporated] on January 19, 2024, and represent the group's exclusive right to benefit from the management of the Funds and to appoint the manager of the Funds. VM Wealth Management Limited, the company's subsidiary, has been appointed as the sole investment manager of the Funds (see note 8).

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Year ended December 31, 2024

13. Intangible assets (continued)

	Company Computer software $'000
Cost:	
December 31, 2022 and 2023	41,875
Additions	2,136
December 31, 2024	44,011
Amortisation:	
December 31, 2022	515
Charge for the year	6,286
December 31, 2023	6,801
Charge for the year	6,286
December 31, 2024	13,087
Net book values:	
December 31, 2024	30,924
December 31, 2023	35,074

14. Accounts payable

	Group		Company	
	2024 $'000	2023 $'000	2024 $'000	2023 $'000
Customer payable	2,341,955	1,183,303	-	-
Interest payable	146,784	182,366	14,057	19,587
Withholding tax payable	292,208	269,556	82,580	223,667
GCT payable	8,248	6,310	-	-
Other payables and accrued expenses	417,201	422,819	144,610	119,543
	864,441	881,051	241,247	362,797
	3,206,396	2,064,354	241,247	362,797

(b) Reconciliation of amounts due to related parties included in accounts payable:

	Group 2024			
	Included in customer payable $'000	Interest payable $'000	Other accounts payable $'000	Total [note 30(c)] $'000
Due to directors [note 30(c)]	29,332	-	42	29,374
Due to related parties [note 30(c)]	4,323	-	1,589	5,912
Due to fellow subsidiaries [note 30(c)]	-	11,053	83,521	94,574

	Company 2024		
	Included in interest payable $'000	Other accounts payable $'000	Total [note 30(c)] $'000
Due to subsidiary company [note 30(c)]	289	-	289
Due to related parties [note 30(c)]	-	1,465	1,465

	Group 2023			
	Included in customer payable $'000	Interest payable $'000	Other accounts payable $'000	Total [note 30(c)] $'000
Due to directors [note 30(c)]	32,297	-	48	32,345
Due to related parties [note 30(c)]	4,301	-	237	4,538
Due to fellow subsidiaries [note 30(c)]	-	10,500	47,495	57,995

	Company 2023		
	Included in interest payable $'000	Other accounts payable $'000	Total [note 30(c)] $'000
Due to subsidiary company [note 30(c)]	441	-	441

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Notes to the Financial Statements

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15. Repurchase agreements

The group sells government and corporate securities, or interests therein, to clients and agrees to repurchase them on a specified date and at a specified price ('repurchase agreements' or 'repos').

	Group	
	2024	**2023**
	$'000	**$'000**
Denominated in Jamaica dollars	6,039,967	5,808,043
Denominated in United States dollars		
[US$50,727,509 (2023: US$55,410,069)]	7,893,312	8,548,006
	13,933,279	14,356,049

	Company	
	2024	**2023**
	$'000	**$'000**
Denominated in Jamaica dollars	378,000	438,000

At December 31, 2024, securities obtained under resale agreements and certain investments (see notes 5 and 6) and interest accrued thereon are pledged by the group as collateral for repurchase agreements.

16. Employee benefit obligation

(a) Pensions

The group participates in The Victoria Mutual (Defined Benefit) Pension Plan ("Plan"), which is administered by trustees.

The members make compulsory contributions at 5% of pensionable salaries and may elect to pay voluntary contributions up to 14.5% to the extent that the total contributions paid by or on behalf of a member in any year does not, in aggregate, exceed 20% of remuneration in that year.

The employer makes ordinary annual contributions as advised by the Actuary to be adequate, in addition to the members' compulsory contributions, to ensure the solvency of the Plan or to provide for any improvement, so long as such are in keeping with the relevant Act or other applicable legislation. The Plan provides for retirement and death benefits.

The defined benefit plan was closed to new entrants effective December 31, 2016. The new defined contribution plan was approved by the Financial Services Commission and Tax Administration Jamaica with an effective date of January 1, 2017, and will benefit employees who were hired on or after January 1, 2017. Both the defined benefit plan and the defined contribution plan are funded by contributions from the subsidiary company and employees in accordance with the respective Trust Deed and Plan Rules.

The most recent funding actuarial valuation of the defined benefit plan, operated by the ultimate parent company [note 3(g)(ii)], performed as of December 31, 2023, indicated that it is adequately funded. The group's contribution to the plans for the year amounted to $16,118,000 (2023: $12,218,000) as set out in note 25.

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16. Employee benefit obligation (continued)

(b) Medical benefit obligation

The group's obligation in respect of post-employment medical benefits has been recognised primarily in respect of medical benefits for pensioners:

(i) Movements in the present value of the medical obligation recognised in the statement of financial position.

	2024 $'000	2023 $'000
Balance at beginning of year	22,900	19,300
Interest cost	2,500	2,500
Current service cost	600	100
Benefits paid	(900)	(800)
Experience adjustments and actuarial losses recognised in OCI	9,900	1,800
Net expense in profit or loss and OCI	12,100	3,600
Balance at end of year	35,000	22,900

(ii) Expense recognised in staff costs (note 25):

	2024 $'000	2023 $'000
Current service cost	600	100
Interest on obligation	2,500	2,500
	3,100	2,600

(iii) Principal actuarial assumptions at the reporting date (expressed as weighted averages)

(iii) Principal actuarial assumptions at the reporting date (expressed as weighted averages)

	2024 %	2023 %
Inflation rate	5.50	6.00
Discount rate	9.50	11.00
Medical premiums growth	8.00	8.00

(iv) As at December 31, 2024, the weighted average duration of the employee benefit obligation was 16 years (2023: 15 years).

(v) Sensitivity analysis

A one (2023: one) percentage point change at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the post-employment medical benefit obligations by amounts shown below:

	2024		2023	
	1.0% increase $'000	1.0% decrease $'000	1.0% increase $'000	1.0% decrease $'000
Discount rate	6,000	(5,000)	3,200	(2,700)
Assumed medical cost trend rate	(5,000)	6,000	(2,600)	3,100

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17. Borrowings

	Group		Company	
	2024	2023	2024	2023
	$'000	$'000	$'000	$'000
Fixed and variable unsecured bonds (i)	7,707,623	7,154,375	7,694,401	7,066,438
Other loans (ii)	761,199	1,502,654	761,199	1,502,654
	8,468,822	8,657,029	8,455,600	8,569,092

(i) These are comprised of fixed and variable rate unsecured bonds issued by the company. Two bonds were issued in 2024 from a J$721 million bond issue as follows, less their transactional costs:

- $229,640,000 Tranche A – $228,778,000 variable rate 10.00% plus 90 days Weighted Average Treasury Bill Rate (WATBY) with a maturity date of April 1, 2027.
- $251,500,000 Tranche B – $250,871,000 fixed rate 11.50% with a maturity date of October 1, 2025.
- $189,726,000 Tranche A – $188,962,000 variable rate 10.00% plus 90 days WATBY with a maturity date of June 30, 2027.
- $2,000,000 Tranche A(ii) – $2,000,000 fixed rate 10.00 with a maturity date of June 30, 2027.
- $48,168,000 Tranche B – $47,966,000 fixed rate 10.75% with a maturity date of June 30,2027.

Funds of J$1,454,632,000, net of transaction costs, were received in December 2024 from a J$5.43 billion bond issue. Additional funds of J$2,327,627,000, were raised subsequent to the reporting period with a reinvestment of bonds totalling J$3,105,838,000 that matured in December 2024. The J$5,433,966,000 bond was closed on January 10, 2025 as follows:

- Tranche D – $2,031,730,000 fixed rate 9.75% with a maturity date of June 27, 2026.
- Tranche E – $1,928,253,000 fixed rate 10.00% with a maturity date of December 27, 2026.
- Tranche F–$1,473,983,000 variable rate 10.50% (plus 90 days WATBY) with a maturity date of December 27, 2027.

Bonds totaling J$1.63 billion were redeemed during the year. The maturing bonds in December 2024 were extended to January 29, 2025 to participate in the J$5.43 billion bond which closed on January 10, 2025.

(ii) These are comprised of the following:

Three loans from the Development Bank of Jamaica received during 2023 for the total of $560,000,000. The loans are broken down as follows:

- $50,000,000 with a maturity period of 4 years with an interest rate of 10.99%
- $300,000,000 with a maturity period of 1 year with an interest rate of 9%
- $210,000,000 with a maturity period of 1 year with an interest rate of 9%

The two loans received in 2021 and 2022 are as follows:

- $550,000,000 received in October 2021, with a maturity period of 5 years with monthly interest payments and an initial two -year principal payment moratorium.
- $750,000,000 received in November 2022 with a maturity period of 5 years attracting an interest rate of 7.5% per annum.

	Group			
	2024		2023	
	Face value $'000	Carrying amount $'000	Face value $'000	Carrying amount $'000
Fixed and variable unsecured bonds (i)	7,706,332	7,707,623	7,136,153	7,154,375
Other loans (ii)	754,321	761,199	1,502,654	1,502,654
	8,460,653	8,468,822	8,638,807	8,657,029

	Company			
	2024		2023	
	Face value $'000	Carrying amount $'000	Face value $'000	Carrying amount $'000
Fixed and variable unsecured bonds (i)	7,706,332	7,694,401	7,136,153	7,066,438
Other loans (ii)	754,321	761,199	1,502,654	1,502,654
	8,460,653	8,455,600	8,638,807	8,569,092

VM Investment Limited

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Year ended December 31, 2024

17. Borrowings (continued)

The following tables show reconciliations from the opening balances to the closing balances for borrowings and other loans:

	Group 2024		
	Borrowings $'000	Other loans $'000	Total borrowings & other loans $'000
Balance as at January 1, 2024	7,154,375	1,502,654	8,657,029
Proceeds from loans and borrowings	1,670,091	-	1,670,091
Repayment of loans and borrowings	(1,116,843)	(748,312)	(1,865,155)
	7,707,623	754,342	8,461,965
Other changes:			
Transaction cost amortised	-	6,857	6,857
Balance as at December 31, 2024	7,707,623	761,199	8,468,822

	Group 2023		
	Borrowings $'000	Other loans $'000	Total borrowings & other loans $'000
Balance as at January 1, 2023	6,091,171	1,402,947	7,494,118
Proceeds from loans and borrowings	6,070,358	560,000	6,630,358
Repayment of loans and borrowings	(4,958,403)	(453,502)	(5,411,905)
	7,203,126	1,509,445	8,712,571
Other changes:			
Transaction cost	(126,712)	(6,791)	(133,503)
Transaction cost amortised	77,961	-	77,961
Balance as at December 31, 2023	7,154,375	1,502,654	8,657,029

	Company 2024		
	Borrowings $'000	Other loans $'000	Total borrowings & other loans $'000
Balance as at January 1, 2024	7,066,438	1,502,654	8,569,092
Proceeds from loans and borrowings	1,670,091	-	1,670,091
Repayment of loans and borrowings	(1,098,620)	(748,312)	(1,846,932)
	7,637,909	754,342	8,392,251
Other changes:			
Transaction cost	(12,394)	-	(12,394)
Transaction cost amortised	68,886	6,857	75,743
Balance as at December 31, 2024	7,694,401	761,199	8,455,600

	Company 2023		
	Borrowings $'000	Other loans $'000	Total borrowings & other loans $'000
Balance as at January 1, 2023	6,003,234	1,402,947	7,406,181
Proceeds from loans and borrowings	6,070,358	560,000	6,630,358
Repayment of loans and borrowings	(4,958,403)	(453,502)	(5,411,905)
	7,115,189	1,509,445	8,624,634
Other changes:			
Transaction cost	(126,712)	(6,791)	(133,503)
Transaction cost amortised	77,961	-	77,961
Balance as at December 31, 2023	7,066,438	1,502,654	8,569,092

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18. Leases

The group leases office spaces. The leases typically run for a period of 5 years, with an option to renew the lease after that date. Lease payments are renegotiated to reflect market rentals. Some leases provide for additional rent payments that are based on changes in local market conditions.

The office spaces leases were entered into combined leases of land and buildings.

Information about leases for which the group is a lessee is presented below.

(a) Leases as lessee

(i) Right-of-use assets

Right-of-use assets related to leased properties that do not meet the definition of investment property and are presented as property, plant and equipment (see note 12).

	Group Leasehold properties	
	2024	**2023**
	$,000	**$,000**
Balance at January 1	99,275	99,275
Depreciation at January 1	56,137	44,835
Depreciation charge for the year	11,302	11,302
	67,439	56,137
Balance at December 31	31,836	43,138

(ii) Lease liabilities:

	Group	
	2024	**2023**
	$'000	**$'000**
Undiscounted cashflows of lease liabilities		
Less than one year	17,506	17,506
One to five years	32,165	49,074
More than five years	-	597
	49,671	67,177
Less future interest charges	(7,286)	(12,216)
Carrying amount of lease liabilities	42,385	54,961
Current	13,893	12,576
Non-current	28,492	42,385
	42,385	54,961

(iii) Reconciliation of movement during the period in the carrying amount of lease liabilities

	Group	
	2024	**2023**
	$'000	**$'000**
Balance at January 1	54,961	66,345
Lease principal payments during the year	(12,576)	(11,384)
Balance at December 31	42,385	54,961

(iv) Amounts recognised in profit or loss

	Group	
	2024	**2023**
	$'000	**$'000**
Depreciation (note 12)	11,302	11,302
Interest on lease liabilities (note 22)	4,930	6,122

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18. Leases (continued)

(a) Leases as lessee (continued)

(v) Amounts recognised in statement of cash flows

	Group 2024 $'000	Group 2023 $'000
Lease interest payments	4,930	6,122
Lease principal payments	12,576	11,384
Total cash outflow for leases	17,506	17,506

(vi) Extension options

Some property leases contain extension options exercisable by the group up to one year before the end of the non-cancellable contract period. Where practicable, the group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the group and not by the lessors. The group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

(b) Leases as lessor

The group leases out equipment under finance leases in its capacity as a lessor.

The group recognised interest income on lease receivable of $5,698,000 (2023: $8,889,000); see note 22. The allowance for impairment on finance leases receivable was $567,000 (2023: $545,000).

The maturity analysis of lease receivables showing the undiscounted lease payments to be received after the reporting dates under are as follows:

	Group and Company 2024 $'000	Group and Company 2023 $'000
Gross investment in finance leases, receivable:		
2024	-	43,867
2025	39,426	40,212
2026	17,182	17,382
2027	1,226	1,226
	57,834	102,687
Unearned finance income	(3,075)	(9,960)
Net investment in finance leases	54,759	92,727

19. Share capital

	Group and Company 2024 $'000	Group and Company 2023 $'000
Authorised:		
Unlimited (2023: 5,000,000,000) ordinary shares at no par value		
Issued and fully paid:		
1,500,025,000 (2023: 1,500,025,000) ordinary shares	713,262	713,262
Less: share issuance costs	(5,375)	(5,375)
	707,887	707,887

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19. Share capital (continued)

The issued share capital does not include premium of $24,000,000 (2023: $24,000,000) on the shares, in accordance with Section 39(7) of the Companies Act Jamaica. This has been retained in the share premium account.

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 general meetings.

At the annual general meeting held on July 4, 2024, the shareholders voted to increase the company's authorised share capital to an unlimited amount of shares and authorised the directors to issue shares as preference shares, from time to time, and determine the terms of those shares without further reference to the members in general meetings.

20. Reserves

(a) Investment revaluation reserve

This represents:

- the cumulative net change in the fair value of equity securities designated at FVOCI.
- the cumulative net change in the fair value of debt securities measured at FVOCI until the assets are derecognised or reclassified, net of deferred tax.

This amount is adjusted for expected credit losses on debt securities measured at FVOCI.

(b) Other reserve

This represents:

(i) accumulated actuarial gains or losses arising from the remeasurement of the post-retirement medical benefit obligation, net of deferred taxes and

(ii) currency translation adjustments arising from translation of investment in foreign operation (associate). See note 7.

21. Non-controlling interest

(a) Pursuant to the approved Scheme of Arrangement, effective February 1, 2023, the convertible preference shares in the subsidiary company were transferred to the immediate parent company, VM Financial Group Ltd.

The preference shares are redeemable, redemption being at the option of the subsidiary company and dividends are payable at such time as the subsidiary company may determine. The number of units in this category totals 50,000,000 (2023: 50,000,000).

(b) On October 31, 2023, the subsidiary company issued 1,500,000 non-redeemable, non-cumulative preference shares to the immediate parent company, VM Financial Group Limited. Each preference share was issued at $1,000 per share. Dividends are payable at such time as the subsidiary company may determine.

Preference shareholders are not entitled to a share of profits.

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Year ended December 31, 2024

22. Net interest/dividend income

	Group		Company	
	2024 $'000	2023 $'000	2024 $'000	2023 $'000
Interest income calculated using the effective interest method:				
Investment securities at FVOCI	895,548	754,592	-	-
Investment securities at amortised cost	239,158	270,156	239,158	270,156
Resale agreements at amortised cost	49,134	81,150	9,467	12,978
Loan receivables at amortised cost	467,045	404,161	467,045	404,161
	1,650,885	1,510,059	715,670	687,295
Interest income on finance leases [note 18 (b)]	5,698	8,889	5,698	8,889
Dividend income-Preference shares	74,363	164,375	74,363	164,375
Other	16,476	11,592	10	4,288
	1,747,422	1,694,915	795,741	864,847
Interest expense:				
Repurchase agreements	(758,091)	(786,803)	(35,389)	(12,242)
Loans and borrowings	(833,002)	(854,169)	(833,002)	(854,169)
	(1,591,093)	(1,640,972)	(868,391)	(866,411)
Lease liabilities [note 18(iv)]	(4,930)	(6,122)	-	-
	(1,596,023)	(1,647,094)	(868,391)	(866,411)
Net interest/dividend income/(expense)	151,399	47,821	(72,650)	(1,564)

23. Gains from investment activities

	Group		Company	
	2024 $'000	2023 $'000	2024 $'000	2023 $'000
Gain on sale of fixed income securities classified as FVOCI	675,041	675,720	2,855	2,694
Gain on sale of disposal of interest in associate – Carilend [note 30(d)(i)]	422,265	-	422,265	-
Convertible preference shares at FVTPL	360,903	301,903	360,903	301,903
Equities at FVTPL	(102,259)	(121,623)	(102,070)	(117,804)
Fair value adjustments	4,153	-	4,153	-
Unit trust funds at FVTPL	67,500	27,952	24,785	-
Net foreign exchange translation gains/(losses) (i)	9,795	(17,609)	12,929	(5,366)
	1,437,398	866,343	725,820	181,427

(i) Net foreign exchange translation gains/(losses) include gains and losses arising from the translation of financial assets and liabilities denominated in foreign currencies.

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24. Fees and commissions income

	Group		Company	
	2024 $'000	2023 $'000	2024 $'000	2023 $'000
Fee and commission income:				
Brokerage activities	188,486	84,748	-	-
Corporate advisory services	302,641	308,957	-	-
Portfolio management fees - unit trust funds	400,845	413,777	-	-
Portfolio management services -other	67,173	65,753	-	-
Portfolio management services -VM Wealth Funds Ltd. [note 30(d)]	19,379	-	-	-
Commitment fees on loans	33,638	47,408	33,638	47,408
Other	2,627	24,290	2,627	24,291
	1,014,789	944,933	36,265	71,699

25. Staff costs

	Group	
	2024 $'000	2023 $'000
Salaries and wages [note 30(d)]	788,821	727,902
Statutory payroll contributions	71,575	53,861
Pension plan contributions [note 16(a)]	16,118	12,218
Post-employment medical benefit [note 16(b)(ii)]	3,100	2,600
Allowances and other staff related benefits	230,205	115,991
	1,109,819	912,572

26. Other operating costs

	Group		Company	
	2024 $'000	2023 $'000	2024 $'000	2023 $'000
Advertising and public relations	37,250	29,289	14,080	2,093
Asset tax	48,479	47,675	-	-
Audit fees – current	72,598	30,837	47,763	10,798
– prior	80,385	9,543	48,000	-
Bad debt written off	175	455	-	455
Bank charges	21,489	15,876	346	202
Communication and courier	462	1,580	-	-
Depreciation and amortisation (notes 12 and 13)	104,892	102,915	6,286	6,286
Directors' fees [note 30(d)]	25,251	27,312	14,235	15,322
Financial Services Commission fees	12,956	10,353	-	-
Irrecoverable GCT	3,418	9,446	-	-
JCSD charges	41,123	15,934	25,104	5,092
JSE charges	2,065	5,023	-	-
Legal and other professional fees	214,891	194,303	111,288	110,599
Short-term rent, maintenance and utilities	37,721	49,694	190	-
Settlement with customers	67,555	35,717	-	-
Software maintenance and IT expenses	121,013	88,856	-	-
Management fees [note 30(d)]	165,877	104,386	75,685	13,096
Other administrative related expenses	50,823	31,507	9,562	1,709
	1,108,423	810,701	352,539	165,652

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Notes to the Financial Statements

Year ended December 31, 2024

27. Income tax

(a) The charge for income tax is computed at statutory tax rate of 33⅓% (2023: 33⅓%) of the profit for the year for the subsidiary company and 25% (2023: 25%) for the company, as adjusted for tax purposes, and is made up as follows:

	Group		Company	
	2024 $'000	2023 $'000	2024 $'000	2023 $'000
(i) Current income tax				
Current year	117,502	129,063	-	-
Prior year adjustment	(76,973)	(13,320)	-	(20,074)
	40,529	115,743	-	(20,074)
(ii) Deferred income tax (note 11)				
Origination and reversal of temporary differences	(141,567)	(141,289)	(127,406)	(45,150)
Total income tax credit	(101,038)	(25,546)	(127,406)	(65,224)

(b) The effective tax rate for 2024 was a credit of 22.22% (2023: 14.74%) for the group and a credit of 47.05% (2023: 127.88%) for the company of pre-tax profits. The actual tax charge differs from the theoretical tax charge for the year, as follows:

	Group		Company	
	2024 $'000	2023 $'000	2024 $'000	2023 $'000
Profit before income tax	454,684	173,298	270,788	51,001
Tax calculated at a rate of:				
25%	67,697	12,750	67,697	12,750
33⅓%	37,327	40,766	-	-
Adjusted for the effects of:				
Income not subject to tax	(165,986)	(74,038)	(154,117)	(61,954)
Tax effect of items (deductible) /not deductible for tax purposes	36,897	8,296	(40,986)	4,054
Prior year adjustments	(76,973)	(13,320)	-	(20,074)
Actual tax credit	(101,038)	(25,546)	(127,406)	(65,224)

28. Financial instruments-risk management

(a) Introduction and overview

The group's activities are principally related to the use of financial instruments. The group therefore has exposure to the following risks from its use of financial instruments in the ordinary course of business:

- credit risk
- liquidity risk
- market risk

The Board of Directors of the company has overall responsibility for the establishment and oversight of the group's risk management framework. Senior management of the company and the subsidiary company report to the respective Board of Directors on their activities. The group's risk management policies are designed to identify and analyse the risks faced by the group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

The group regularly reviews its risk management policies and systems to reflect changes in market conditions and product and service offerings. The respective Audit, Risk and Conduct Review Committees of the company and the subsidiary company are responsible for monitoring compliance with the group's risk management policies and for reviewing the adequacy of the risk management framework in relation to the risks faced by the group.

The Audit, Risk and Conduct Review Committees are assisted in these functions by the Victoria Mutual Group's Internal Audit Unit and the Group Risk Management Unit, which undertakes periodic reviews of risk management controls and procedures, the results of which are reported to the Audit, Risk and Conduct Review Committees.

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Year ended December 31, 2024

(a) Introduction and overview (continued)

The key risks to which the group is exposed and the manner in which it measures and manages them are as follows:

(b) Credit risk

Credit risk is the risk of financial loss to the group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises primarily from credit given to customers from stock broking activities, investing activities, collateralised lending and deposits with other institutions. Balances arising from these activities include debt securities, resale agreements, cash and cash equivalents loan receivable and accounts receivable (excluding prepayments).

(i) Management of credit risk

Credit risk is the single largest risk for the group's business; management therefore carefully manages its exposure to credit risk. Credit risk management and control is delegated to the group's Finance Committees. The Committees are responsible for oversight of credit risk, including formulating credit policies, establishing the authorisation structure for the approval of credit facilities, reviewing and assessing credit risk, and limiting concentration of exposure to counterparties.

The estimation of credit exposure for risk management purposes is complex and requires the use of models, as the exposure varies with changes in market conditions, expected cash flows and the passage of time. The assessment of credit risk of a portfolio of assets entails further estimations as to the likelihood of defaults occurring, of the associated loss ratios and of default correlations between counterparties. The group measures credit risk using Probability of Default (PD), Exposure at Default (EAD) and Loss Given Default (LGD). This is similar to the approach used for the purposes of measuring Expected Credit Loss (ECL) under IFRS 9.

(ii) Collateral and other credit enhancements held against certain financial assets

The group holds collateral against loans to customers and others in the form of registered securities over assets. Professional and other means are used to arrive at fair values of such collateral, based on the value of collateral assessed at the time of borrowing. These collateral values are updated across the board annually, with individual focus given to individual collateral values (including but not limited to professional valuations) when a loan is individually assessed as impaired. Collateral generally is not held over balances with banks or brokers/dealers, except when securities are held under resale agreements. Collateral is generally not held against investment securities.

- Cash and cash equivalents

  These are held with regulated financial institutions and collateral is not required for such accounts.

- Resale agreements

  Collateral is held for all resale agreements.

- Investment securities and loans receivable

  Credit risk management includes:

  (i) Margin loans – daily monitoring of the collateral package and executing margin calls or asset sales to address any shortfall. Additional scrutinising of tradeable securities utilised as collateral and removing those negatively impacted by the pandemic.

  (ii) Corporate loans - Undertake assessment of loans likely impacted by the current conditions (e.g., Tourism).

  In relation to its holding of investment securities, the group manages the level of risk it undertakes by investing substantially in short term Government of Jamaica, Bank of Jamaica, preference shares with related party and foreign Government debt securities; such securities are generally unsecured.

- Accounts receivable (excluding prepayments)

  Exposure to credit risk is managed by regular analysis of the ability of the customers and other counter parties to meet repayment obligations.

The group holds collateral and other credit enhancements against certain of its credit exposures. The following table sets out the principal types of collateral held against different types of financial assets.

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Notes to the Financial Statements CONTINUED

Year ended December 31, 2024

28. Financial instruments-risk management (continued)

(b) Credit risk (continued)

(ii) Collateral and other credit enhancements held against certain financial assets (continued)

	Percentage of exposure that is subject to collateral requirements		
	2024	2023	Collateral type
Loan advances to customers			
Margin loans	83%	75%	Debt and equity securities
Corporate loans	100%	100%	Real property, shares, debt securities
Resale agreements	100%	100%	Debt securities

The following table stratifies credit exposures from loans to customers by ranges of loan-to-value (LTV) ratio. LTV is calculated as the ratio of:

The gross amount of the loan (or the amount committed for loan commitments) to the value of the collateral. The valuation of the collateral excludes any adjustments for obtaining and selling the collateral. For credit-impaired loans, the value of the collateral is based on the most recent appraisals.

	Note	Group and Company 2024 $'000	Group and Company 2023 $'000
LTV ratio:			
Less than 50%		1,661,326	1,477,261
51-70%		2,246,919	2,550,568
71-90%		39,516	62,508
91-100%		-	152,939
More than 100%		716,191	697,762
Total	9	4,663,952	4,941,038
Credit-impaired loans:			
Less than 50%		257,961	23,485
51-70%		185,962	-
More than 70%		720,801	697,761
Total	28(b)(iv)	1,164,724	721,246

The group's policies regarding obtaining collateral have not significantly changed during the reporting period and there has been no significant change in the overall quality of the collateral held by the group since the prior period.

(iii) Concentration of credit risk

There is significant concentration of credit risk in that the subsidiary company, being a securities dealer that is obliged to trade mostly debt securities issued by the Government of Jamaica, Bank of Jamaica, foreign government, corporate bonds and preference shares with related party holds substantial amounts of these debt securities (note 6). The management of the concentration of credit risk is guided by the group's Investment Policy, whereby exposure per debt security is limited to 20%. Compliance with these limits is reported on and monitored monthly.

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Notes to the Financial Statements CONTINUED

Year ended December 31, 2024

28. Financial instruments-risk management (continued)

(b) Credit risk (continued)

(iv) Maximum exposure to credit risk and credit quality analysis

The following table sets out information about the maximum exposure to credit risk and the credit quality of financial assets measured at amortised cost and FVOCI debt instruments. Unless specifically indicated, for financial assets, the amounts in the table represent gross carrying amounts.

- Debt securities at FVOCI:

	Group 2024	
	12-month PD ranges %	Stage 1 12-month ECL $'000
Credit grade		
Investment grade	0.00-0.07	659,893
Non-investment grade	0.42-14.72	15,382,746
		16,042,639
Less interest receivable, included in accounts receivable (note 10)		(239,937)
(note 6)		15,802,702
Loss allowance (note 6)		(23,283)

	Group 2023	
	12-month PD ranges %	Stage 1 12-month ECL $'000
Credit grade		
Investment grade	0.00-0.16	667,556
Non-investment grade	0.42-12.61	14,664,350
		15,331,906
Less interest receivable, included in accounts receivable		(245,788)
(note 6)		15,086,118
Loss allowance (note 6)		(30,200)

- Resale agreements, investment securities, finance leases, loans receivable and debt securities at amortised cost:

	Group 2024				
	12-month PD ranges %	Stage 1 12-month ECL $'000	Stage 2 Lifetime ECL $'000	Stage 3 Lifetime ECL $'000	Total $'000
Credit grade					
Non-Investment grade	0.3-3.0	5,269,111	163,972	-	5,433,083
Default	2.0-100.0	-	-	1,164,724	1,164,724
Gross carrying amount including interest receivable [notes 5,6,9 and 18 (b)]		5,269,111	163,972	1,164,724	6,597,807
Loss allowance [note 28(b)(v)(d)]		(17,754)	(168)	(559,787)	(577,709)
		5,251,357	163,804	604,937	6,020,098
Less: Interest receivable, included in accounts receivable (note 10)		(84,374)	-	-	(84,374)
		5,166,983	163,804	604,937	5,935,724

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28. Financial instruments-risk management (continued)

(b) Credit risk (continued)

(iv) Maximum exposure to credit risk and credit quality analysis (continued)

- Resale agreements, net investment in finance leases, loans receivable and debt securities at amortised cost:

	Group 2023				
	12-month PD ranges	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
	%	$'000	$'000	$'000	$'000
Credit grade					
Non-Investment grade	0.1-1.0	6,672,908	189,869	-	6,862,777
Default	0.1-100.0	-	-	721,246	721,246
Gross carrying amount including interest receivable [notes 5,6,9 and 18(b)]		6,672,908	189,869	721,246	7,584,023
Loss allowance [note 28(b)(v)(d)]		(20,231)	(305)	(284,323)	(304,859)
		6,652,677	189,564	436,923	7,279,164
Less: Interest receivable, included in accounts receivable (note 10)		(89,108)	-	-	(89,108)
		6,563,569	189,564	436,923	7,190,056

As disclosed in Note 9, the loss allowance increased over the prior reporting period due to the deterioration in the quality of collateral held (shares) for a portion of the loans. Due to an increase in the LGD during the current reporting period, several loans previously in Stage 1 transitioned to Stage 3 classification. The collateral held represented 87% (2023: 63%) of those loan values.

	Company 2024				
	12-month PD ranges	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
	%	$'000	$'000	$'000	$'000
Credit grade					
Non-Investment grade	0.3-3.0	4,479,872	163,972	-	4,643,844
Default	100.00	-	-	1,164,724	1,164,724
Gross carrying amount including interest receivable (notes 5,6,9)		4,479,872	163,972	1,164,724	5,808,568
Loss allowance [note 28(b)(v)(d)]		(12,635)	(168)	(559,787)	(572,590)
		4,467,237	163,804	604,937	5,235,978
Less: Interest receivable, included in accounts receivable (note 10)		(82,928)	-	-	(82,928)
		4,384,309	163,804	604,937	5,153,050

	Company 2023				
	12-month PD ranges	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
	$'000	$'000	$'000	$'000	$'000
Credit grade					
Non-Investment grade	0.1-1.0	5,314,511	189,869	-	5,504,380
Default	0.1-1.0	-	-	721,246	721,246
Gross carrying amount including interest receivable (notes 5,6,9)		5,314,511	189,869	721,246	6,225,626
Loss allowance [note 28(b)(v)(d)]		(19,720)	(305)	(284,323)	(304,348)
		5,294,791	189,564	436,923	5,921,278
Less: Interest receivable, included in accounts receivable (note 10)		(86,889)	-	-	(86,889)
		5,207,902	189,564	436,923	5,834,389

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Notes to the Financial Statements

Year ended December 31, 2024

28. Financial instruments-risk management (continued)

(b) Credit risk (continued)

(iv) Maximum exposure to credit risk and credit quality analysis (continued)

- Resale agreements, finance leases, loans receivable and debt securities at amortised cost (continued):

Loans receivable at amortised cost – overdue status

	Group and Company 2024			
	Stage 1 $'000	Stage 2 $'000	Stage 3 $'000	Total $'000
Current	3,335,023	-	144,055	3,479,078
Past due 1-30 days	234	-	-	234
Past due 31-60 days	-	5,663	-	5,663
Past due 61-90 days	-	158,309	-	158,309
Past due over 90 days	-	-	1,020,668	1,020,668
	3,335,257	163,972	1,164,724	4,663,952

	Group and Company 2023			
	Stage 1 $'000	Stage 2 $'000	Stage 3 $'000	Total $'000
Current	4,017,335	137,835	636,870	4,792,040
Past due 31-60 days	12,587	-	-	12,587
Past due over 90 days	-	52,035	84,376	136,411
	4,029,922	189,870	721,246	4,941,038

(v) Impairment

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. Please refer to below for a description of how the group determines when a significant increase in credit risk has occurred.
- 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. Please refer to below for a description of inputs, assumptions and estimation techniques used in measuring the ECL.
- A pervasive concept in measuring ECL in accordance with IFRS 9 is that it should consider forward- looking information. Please see below which includes an explanation of how the group has incorporated this in its ECL models.

The key judgements and assumptions adopted by the group in addressing the requirements of the standard are discussed below:

(a) Significant increase in credit risk

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 or effort. This includes both quantitative and qualitative information and analysis, based on the group's historical experience and third-party policies including forward-looking information.

The group uses three criteria for determining whether there has been a significant increase in credit risk:

- quantitative test based on movement in PD;
- qualitative indicators; and
- a backstop of 30 days past due.

Credit risk grades:

The group uses internal credit risk gradings that reflect its assessment of the probability of default of individual counterparties. The group uses internal rating models tailored to the various categories of counterparties.

VM Investment Limited

Notes to the Financial Statements

Year ended December 31, 2024

28. Financial instruments-risk management (continued)

(b) Credit risk (continued)

(v) Impairment (continued)

The key judgements and assumptions adopted by the group in addressing the requirements of the standard are discussed below (continued):

(a) Significant increase in credit risk (continued)

Borrower and loan specific information collected at the time of application (such as disposable income, and level of collateral for retail exposures; and turnover and industry type for wholesale exposures) is fed into this rating model. This is supplemented with external data such as credit bureau scoring information on individual borrowers. In addition, the models enable expert judgement from the Credit Risk Officer to be fed into the final internal credit rating for each exposure. This allows for considerations which may not be captured as part of the other data inputs into the model.

For debt securities in the Treasury portfolio which includes benchmark investment notes, treasury bills, US$ bonds, foreign government securities, corporate bonds, and other public sector securities (note 6), external rating agency credit grades are used. These published grades are continuously monitored and updated. The PD's associated with each grade are determined based on realised default rates over the prior 12 months, as published by the rating agency.

Determining whether credit risk has been increased significantly:

The group assesses whether credit risk has increased significantly since initial recognition at each reporting date. Determining whether an increase in credit risk is significant depends on the characteristics of the financial instrument and the borrower.

As a backstop, the group considers that a significant increase in credit risk occurs no later than when an asset is more than 30 days past due. Days past due are determined by counting the number of days since the earliest elapsed due date in respect of which full payment has not been received. Due dates are determined without considering any grace period that might be available to the borrower.

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 return 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. When contractual terms of a loan have been modified, evidence that the criteria for recognising lifetime ECL are no longer met includes a history of up-to-date payment performance against the modified contractual terms.

In assessing whether a borrower is in default, the group considers indicators that are:

- qualitative: e.g., breaches of covenant; extension to the terms granted; early signs of cashflow/liquidity problems;
- quantitative: e.g., overdue status and non-payment on another obligation of the same issuer to the company; and
- based on data developed internally and obtained from external sources.

Inputs into the assessment of whether a financial instrument is in default and their significance may vary over time to reflect changes in circumstances.

(b) Incorporation of forward-looking information

The assessment of SICR and the calculation of ECL both incorporate forward-looking information. The group has performed historical analysis and identified the key economic variables impacting credit risk and expected credit losses for each portfolio.

These economic variables and their associated impact on the PD, EAD and LGD vary by financial instrument. Expert judgement has also been applied in this process. Forecasts of these economic variables (the "base economic scenario") are provided by the group's Finance team on an annual basis and provide the best and worst estimate view of the economy based on the expected impact of interest rates, unemployment rates and gross domestic product (GDP).

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 positive, negative or stable trend and to understand the impact changes in these variables have had historically on default rates and on the components of LGD and EAD.

VM Investment Limited

Notes to the Financial Statements

Year ended December 31, 2024

28. Financial instruments-risk management (continued)

(b) Credit risk (continued)

(v) Impairment (continued)

The key judgements and assumptions adopted by the group in addressing the requirements of the standard are discussed below (continued):

(b) Incorporation of forward-looking information (continued)

The group formulates three economic scenarios: a base case, which is the median scenario, one upside and one downside scenario. The group concluded that three scenarios appropriately captured non-linearities. The scenario weightings are determined by a combination of statistical analysis and expert credit judgement, taking account of the range of possible outcomes each chosen scenario is representative of.

For the economic scenarios used as at December 31, 2024 and 2023, the following key indicators represent scores used to adjust the forward-looking information for Jamaica for the years 2024 and 2025:

	2024	2025
Unemployment rates	5.0%	4.0%
Base	0.6	0.6
Upside	0.3	0.3
Downside	0.6	0.6
Interest rates	6.5%	5.0%
Base	0.2	0.2
Upside	0.2	0.2
Downside	0.2	0.2
GDP growth	1.8%	2.0%
Base	0.2	0.3
Upside	0.2	0.2
Downside	0.3	0.3
Inflation rates	4.8%	5.0%
Base	0.2	0.1
Upside	0.1	0.1
Downside	0.2	0.2

Each scenario considers the expected impact of interest rates, unemployment rates and gross domestic product (GDP).

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.

(c) Measurement of the expected credit loss (ECL)

The ECL is determined by projecting the PD, LGD and EAD for each future month and for each individual exposure. These three components are multiplied together and adjusted for the likelihood of survival (i.e. the exposure has not prepaid or defaulted in an earlier month). This effectively calculates an ECL for each future month, which is then discounted back to the reporting date and summed. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

The lifetime PD is developed by applying a maturity profile to the current 12-month PD. The maturity profile looks at how defaults develop on a portfolio from the point of initial recognition throughout the lifetime of the loans. The maturity profile is based on historical observed data and is assumed to be the same across all assets within a portfolio and credit grade band. This is supported by historical analysis.

The 12-month and lifetime EADs are determined based on the expected payment profile, which varies by product type.

For amortising products and bullet repayment loans, this is based on the contractual repayments owed by the borrower over a 12 month or lifetime basis. This will also be adjusted for any expected overpayments made by a borrower. Early repayment/refinance assumptions are also incorporated into the calculation.

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

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

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Notes to the Financial Statements

Year ended December 31, 2024

28. Financial instruments-risk management (continued)

(b) Credit risk (continued)

(v) Impairment (continued)

The key judgements and assumptions adopted by the group in addressing the requirements of the standard are discussed below (continued):

(d) Loss allowance

The following tables show reconciliations from the opening to the closing balance of the loss allowance by class of financial instrument.

Debt securities at FVOCI:

	Group 2024 Stage 1 12-month ECL $'000
Balance as at January 1, 2024	30,200
New financial assets originated or purchased	7,288
Financial assets derecognised during the year	(8,890)
Foreign exchange adjustment	88
Changes in models/assumptions used in ECL calculation	(5,403)
Net remeasurement of loss allowance [note 28(b)(v)(f)]	(6,917)
Balance as at December 31, 2024 (note 6)	23,283

	Group 2023 Stage 1 12-month ECL $'000
Balance as at January 1, 2023	77,875
New financial assets originated or purchased	10,491
Financial assets derecognised during the year	(9,966)
Foreign exchange adjustment	961
Changes in models/assumptions used in ECL calculation	(49,161)
Net remeasurement of loss allowance [note 28(b)(v)(f)]	(47,675)
Balance as at December 31, 2023 (note 6)	30,200

Debt securities, net investment in finance lease, loans receivable and resale agreement at amortised cost:

	Group 2024			
	Stage 1 12-month ECL $'000	Stage 2 Lifetime ECL $'000	Stage 3 Lifetime ECL $'000	Total $'000
Balance as at January 1, 2024	17,455	306	287,098	304,859
New financial assets originated/purchased	7,001	168	420	7,589
Financial assets derecognised during the year	(511)	-	-	(511)
Changes to inputs used in ECL calculation	(6,191)	(306)	272,269	265,772
Net remeasurement of loss allowance [note 28(b)(v)(f)]	299	(138)	272,689	272,850
Balance as at December 31, 2024 [notes 5, 6, 9 and 18(b)]	17,754	168	559,787	577,709

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Notes to the Financial Statements

Year ended December 31, 2024

28. Financial instruments-risk management (continued)

(b) Credit risk (continued)

(v) Impairment (continued)

The key judgements and assumptions adopted by the group in addressing the requirements of the standard are discussed below (continued):

(d) Loss allowance (continued)

Debt securities, net investment in finance lease, loans receivable and resale agreement at amortised cost (continued):

	Group 2023			
	Stage 1 12-month ECL $'000	Stage 2 Lifetime ECL $'000	Stage 3 Lifetime ECL $'000	Total $'000
Balance as at January 1, 2023	50,155	6,328	40,047	96,530
New financial assets originated/purchased	4,827	305	-	5,132
Financial assets derecognised during the year	(33,774)	(3,406)	-	(37,180)
Changes to inputs used in ECL calculation	(3,753)	(2,921)	247,051	240,377
Net remeasurement of loss allowance [note 28(b)(v)(f)]	(32,700)	(6,022)	247,051	208,329
Balance as at December 31, 2023 [notes 5, 6, 9 and 18(b)]	17,455	306	287,098	304,859

	Company 2024			
	Stage 1 12-month ECL $'000	Stage 2 Lifetime ECL $'000	Stage 3 Lifetime ECL $'000	Total $'000
Balance as at January 1, 2024	16,944	306	287,098	304,348
New financial assets originated/purchased	1,882	168	420	2,470
Changes in inputs used in ECL calculations	(6,191)	(306)	272,269	265,772
Net remeasurement of loss allowance [note 28(b)(v)(f)]	(4,309)	(138)	272,689	268,242
Balance as at December 31, 2024 [note 5, 6, 9, 18(b)]	12,635	168	559,787	572,590

	Company 2023			
	Stage 1 12-month ECL $'000	Stage 2 Lifetime ECL $'000	Stage 3 Lifetime ECL $'000	Total $'000
Balance as at January 1, 2023	49,725	6,328	40,047	96,100
New financial assets originated/purchased	4,316	305	-	4,621
Financial assets derecognised during the year	(33,344)	(3,406)	-	(36,750)
Changes in inputs used in ECL calculations	(3,753)	(2,921)	247,051	240,377
Net remeasurement of loss allowance [note 28(b)(v)(f)]	(32,781)	(6,022)	247,051	208,248
Balance as at December 31, 2023 [note 5, 6, 9, 18(b)]	16,944	306	287,098	304,348

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Notes to the Financial Statements

Year ended December 31, 2024

28. Financial instruments-risk management (continued)

(b) Credit risk (continued)

(v) Impairment (continued)

(e) *Expected credit loss assessment*

The following table provides information about the exposure to credit risk and ECLs for accounts receivable.

	Group 2024			
Age buckets	Weighted average loss rate	Gross carrying amount $'000	Loss allowance $'000	Credit impaired
Current (not past due)	0.00%	69,060	3	No
31-60 days	0.00%	23,473	-	No
61-90 days	0.00%	6,467	-	No
Over 90 days	75.37%	171,490	129,247	Yes
		270,490	129,250	

	Group 2023			
Age buckets	Weighted average loss rate	Gross carrying amount $'000	Loss allowance $'000	Credit impaired
Current (not past due)	0.73%	43,997	323	No
31-60 days	16.17%	9,334	1,509	No
61-90 days	22.99%	12,194	2,804	No
Over 90 days	100%	226,680	226,680	Yes
		292,205	231,316	

(f) *Reconciliation of loss allowance for ECL*

Loss allowance recognised/(reversed) in the income statement on financial assets during the year is summarised below:

	Group	
	2024 $'000	2023 $'000
Debt securities at FVOCI (note 6)	(6,917)	(47,675)
Resale agreements, debt securities, loans receivable, and finance leases at amortised cost [notes 5, 6, 9, 18(b)]	272,850	208,329
Accounts receivable [note 10(a)]	(102,066)	(10,321)
Other	-	43
	163,867	150,376

	Company	
	2024 $'000	2023 $'000
Debt securities, finance leases, loans receivable and resale agreements at amortised cost [notes 5,6,9,18(b), 28(b)(v)(d)]	268,242	208,248

(c) Liquidity risk

Liquidity risk is the risk that the group will encounter difficulty in meeting obligations from its financial liabilities. Liquidity risk may result from an inability to sell a financial asset quickly at, or close to, its fair value. The group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions. Prudent liquidity risk management procedures which the group applies include maintaining sufficient cash and marketable securities, and monitoring future cash flows and liquidity on a daily basis.

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Notes to the Financial Statements

Year ended December 31, 2024

28. Financial instruments-risk management (continued)

(c) Liquidity risk (continued)

The group's liquidity management process, as monitored by the Asset and Liability Committee, includes:

(i) Monitoring future cash flows and liquidity on a daily basis. This incorporates collateral which could be used to secure funding if required;
(ii) Maintaining a portfolio of highly marketable and diverse assets that can readily be liquidated as protection against any unforeseen interruption to cash flows;
(iii) Optimising cash returns on investments;
(iv) Monitoring liquidity ratios against internal and regulatory requirements. The most important of these is to maintain limits on the ratio of net liquid assets to customer liabilities;
(v) Maintaining cash reserves well above the Regulatory requirement towards absorbing any additional shocks; and
(vi) Managing the concentration and profile of debt maturities.

Monitoring and reporting take the form of cash flow measurement and projections for the next day, week and month, respectively, as these are key periods for liquidity management. The starting point for those projections is an analysis of the contractual maturity of the financial liabilities and the expected collection date of the financial assets.

The subsidiary company manages liquidity risk by keeping a pre-determined portion of its financial assets in liquid form. The key measure used for monitoring liquidity risk is the ninety-day liquidity gap ratio. In computing the ratio, the numerator is calculated by subtracting the total assets maturing within ninety days from the total liabilities which fall due in ninety days. The denominator is total liabilities. The subsidiary company's ninety-day liquidity gap ratio at the end of the year was 72% (2023: 69%).

During the year there was no change to the nature of liquidity risk to which the group is exposed, or to the manner in which it measures and manages the risk.

The following table presents an analysis of the undiscounted cash flows required to settle the group's financial liabilities, including interest payments, on the basis of their earliest possible contractual maturity.

The group does not expect that all of its customers will demand payment of funds at the earliest date pass due.

In the normal course of business, 65% - 85% of the subsidiary company's repurchase agreements contractually repayable within 3 months and within one year will be rolled-over into new contracts of similar or extended tenure. Subsequent to the year end, concluded the new bonds (borrowings) raise amounted to $5,433,966,000 (2023: $425,000,000) issued by the company have been used to finance maturing bonds.

The group is also able to meet unexpected net cash outflows by selling securities and accessing funding from the ultimate parent company and from other financial institutions.

	Group 2024				
	Within 3 months $'000	3 to 12 months $'000	Over 12 months $'000	Contractual cashflow $'000	Carrying amount $'000
Financial assets					
Cash and cash equivalents	1,469,290	-	-	1,469,290	1,469,290
Resale agreements, including interest	416,949	453,586	-	870,535	863,364
Investment securities	1,174,584	316,882	27,007115	28,498,581	18,037,435
Loans receivable and net investment in finance leases, including interest	946,890	1,182,641	3,514,122	5,643,653	4,218,200
Accounts receivable *	207,829	-	-	207,829	207,829
Total financial assets	4,215,542	1,953,109	30,521,237	36,689,888	24,796,118
Financial liabilities					
Borrowings	6,272,738	739,209	2,537,038	9,548,985	8,468,822
Accounts payable **	2,708,130	-	-	2,708,130	2,708,130
Repurchase agreements, including interest	10,102,384	3,717,736	251,725	14,071,845	14,066,295
Lease liabilities including interest	4,377	13,130	32,164	49,671	42,385
Due to ultimate parent company	3,840	-	-	3,840	3,840
Due to immediate parent company	128,212	-	-	128,212	128,212
Total financial liabilities	19,219,681	4,470,075	2,820,927	26,510,683	25,417,684
On statement of financial position gap, being total liquidity gap	(15,004,139)	(2,516,966)	27,700,310	10,179,205	(621,566)
Cumulative gap	(15,004,139)	(17,521,105)	10,179,205	-	

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Year ended December 31, 2024

28. Financial instruments-risk management (continued)

(c) Liquidity risk (continued)

	Group 2023 Within 3 months $'000	3 to 12 months $'000	Over 12 months $'000	Contractual cashflow $'000	Carrying amount $'000
Financial assets					
Cash and cash equivalents	877,655	-	-	877,655	877,655
Resale agreements, including interest	1,277,270	296,581	-	1,573,851	1,573,851
Investments	645,771	358,646	26,754,399	27,758,816	17,356,873
Loans receivable and net investment in finance leases, including interest	474,498	1,495,569	4,408,019	6,378,086	4,744,395
Accounts receivable *	161,933	-	-	161,933	161,933
Total financial assets	3,437,127	2,150,796	31,162,418	36,750,341	24,714,707
Financial liabilities					
Borrowings	7,935,405	1,030,000	479,444	9,444,849	8,657,029
Accounts payable **	1,721,623	-	-	1,721,623	1,721,623
Repurchase agreements, including interest	9,683,382	5,070,536	-	14,753,918	14,518,455
Lease liabilities	8,753	8,753	49,671	67,177	54,961
Due to ultimate parent society	124,362	-	-	124,362	124,362
Total financial liabilities	19,473,525	6,109,289	529,115	26,111,929	25,076,430
On statement of financial position gap, being total liquidity gap	(16,036,398)	(3,958,493)	30,633,303	10,638,412	(361,723)
Cumulative gap	(16,036,398)	(19,994,891)	10,638,412	-	

The gap is in relation to items recognised in the statement of financial position. There are no "off balance sheet" exposures.

	Company 2024 Within 3 months $'000	3 to 12 months $'000	Over 12 months $'000	Contractual cashflow $'000	Carrying amount $'000
Financial assets					
Cash and cash equivalents	114,452	-	-	114,452	114,452
Resale agreements including interest	416,949	29,204	-	446,153	438,982
Loans receivable and net investment in finance leases including interest	946,890	1,182,641	3,514,122	5,643,653	4,218,200
Accounts receivable*	41,872	-	-	41,872	41,872
Investments	40,012	107,448	1,348,499	1,495,595	1,634,503
Total financial assets	1,560,175	1,319,293	4,862,621	7,742,089	6,448,009
Financial liabilities					
Borrowings	6,272,738	739,209	2,537,038	9,548,985	8,455,600
Accounts payable**	74,500	-	-	74,500	74,500
Repurchase agreements, including interest	380,247	-	-	380,247	378,289
Due to ultimate parent company	1,044	-	-	1,044	1,044
Due to subsidiary	1,810	-	-	1,810	1,810
Total financial liabilities	6,730,339	739,209	2,537,038	10,006,586	8,911,243
On statement of financial position gap, being total liquidity gap	(5,170,164)	580,084	2,325,583	(2,264,497)	(2,463,234)
Cumulative gap	(5,170,164)	(4,590,080)	(2,264,497)	-	

	Company 2023 Within 3 months $'000	3 to 12 months $'000	Over 12 months $'000	Contractual cashflow $'000	Carrying amount $'000
Financial assets					
Cash and cash equivalents	101,332	-	-	101,332	101,332
Resale agreements including interest	-	215,454	-	215,653	215,654
Loans receivable and net investment in finance leases including interest	474,498	1,495,569	4,408,019	6,378,086	4,744,395
Accounts receivable*	98,741	-	-	98,741	98,741
Investments	26,513	129,542	2,204,914	2,360,969	2,129,491
Total financial assets	701,084	1,840,565	6,612,933	9,154,582	7,289,613

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Year ended December 31, 2024

28. Financial instruments-risk management (continued)

(c) Liquidity risk (continued)

	Company 2023				
	Within 3 months $'000	3 to 12 months $'000	Over 12 months $'000	Contractual cashflow $'000	Carrying amount $'000
Financial liabilities					
Borrowings	7,935,405	1,030,000	479,444	9,444,849	8,676,547
Accounts payable**	58,114	-	-	58,114	58,114
Repurchase agreements, including interest	-	438,069	-	438,069	438,069
Due to subsidiary	122,538	-	-	122,538	122,538
Total financial liabilities	8,116,057	1,468,069	479,444	10,063,570	9,295,268
On statement of financial position gap, being total liquidity gap	(7,414,973)	372,496	6,133,489	(908,988)	(2,005,655)
Cumulative gap	(7,414,973)	(7,042,477)	(908,988)	-	

*Accounts receivable excludes interest receivable and prepayments.
**Accounts payable excludes interest payable, withholding taxes and GCT payable.

The gap is in relation to items recognised in the statement of financial position. There are no "off balance sheet" exposures.

There was no change to the group's approach to managing liquidity risk during the year.

(d) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices, whether caused by factors specific to the individual security or its issuer, or factors affecting all securities traded in the market.

These arise mainly from changes in interest rate, foreign currency rates and equity prices and will affect the group's income or the value of its holdings of financial instruments.

Market risk is monitored by management which carries out extensive research and monitors the price movement of financial assets on the local and international markets. Market risk exposures are measured using sensitivity analysis.

The group's market risk management process, includes active monitoring of our portfolio of assets.

(i) Foreign currency risk

Foreign currency risk is the risk that the market value of, or the cash flows from, financial instruments will vary because of exchange rate fluctuations. The group is exposed to foreign currency risk due to fluctuations in exchange rates on transactions and balances that are denominated in currencies other than the Jamaica dollar.

The main currency giving rise to this risk is the United States dollar (US$). The group ensures that this risk is kept to an acceptable level by matching foreign currency assets with foreign currency liabilities, to the extent practicable. The net foreign currency exposure is kept to an acceptable level by buying or selling currencies at spot rates when necessary to address short-term imbalances. Foreign exchange gains and losses from these activities are included in other income.

At the reporting date, the group's exposure to foreign currency risk was as follows, in nominal amounts:

	Group		Company	
	2024 US$'000	2023 US$'000	2024 US$'000	2023 US$'000
Foreign currency assets:				
Cash and cash equivalents	1,770	2,107	5	5
Resale agreements	2,325	2,828	180	-
Investment securities	58,487	59,831	5,150	4,851
Loans receivable	926	-	926	-
Accounts receivable	1,152	5,059	175	504
	64,660	69,825	6,436	5,360
Foreign currency liabilities:				
Borrowings	-	907	-	907
Accounts payable	5,389	5,672	153	123
Repurchase agreements	50,728	55,410	-	-
	56,117	61,989	153	1,030
Net foreign currency assets	8,543	7,836	6,283	4,330

Foreign exchange rates

The group uses the average of Bank of Jamaica's buying and selling rates [see note 3(d)]. The rates as at the reporting date were as follows:

	2024 $	2023 $
United States dollar	155.6022	154.2681

VM Investment Limited

Notes to the Financial Statements

Year ended December 31, 2024

28. Financial instruments-risk management (continued)

(d) Market risk (continued)

(i) Foreign currency risk (continued)

Sensitivity to foreign exchange rate movements:

A 1% strengthening (2023: 1%) and a 4% weakening (2023: 4%) of the Jamaica dollar against the United States dollar at December 31, 2024 would have increased/(decreased) profit by the amounts shown in the table below. The analysis assumes that all other variables, in particular, interest rates, remain constant. The analysis is performed on the same basis as for 2023.

	Group			
	2024		2023	
	% Change in Currency Rate	Effect on Profit	% Change in Currency Rate	Effect on Profit
	%	$'000	%	$'000
Currency:				
US$	1% Revaluation	13,293	1% Revaluation	12,088
US$	4% Devaluation	(53,172)	4% Devaluation	(48,354)

	Company			
	2024		2023	
	% Change in Currency Rate	Effect on Profit	% Change in Currency Rate	Effect on Profit
	%	$'000	%	$'000
Currency:				
US$	1% Revaluation	9,776	1% Revaluation	6,680
US$	4% Devaluation	(39,106)	4% Devaluation	(26,719)

(ii) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The group manages this risk by monitoring interest rates daily. Even though there are no formally predetermined gap limits, where possible and to the extent judged appropriate, the maturity profile of its financial assets is matched by that of its financial liabilities; where gaps are deliberately arranged, management expects that its monitoring will, on a timely basis, identify the need to take appropriate action to close a gap if it becomes necessary.

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

	Group 2024				
	Within 3 months $'000	3 to 12 months $'000	Over 12 months $'000	Non-rate sensitive $'000	Total $'000
Financial assets					
Cash and cash equivalents	389,112	-	-	1,080,178	1,469,290
Resale agreements***	280,785	82,285	-	500,526	863,596
Loans receivable ***	780,517	872,007	3,072,633	-	4,725,157
Investment securities***	1,175,695	186,370	15,912,965	2,500,911	19,775,940
Accounts receivable*	-	-	-	207,829	207,829
Net investment in finance leases	10,912	25,438	18,409	-	54,759
Total financial assets	2,637,021	1,166,100	19,004,007	4,289,444	27,096,572
Financial liabilities					
Lease liabilities	-	-	-	42,385	42,385
Repurchase agreements	10,097,252	3,717,318	251,677	-	14,066,247
Borrowings	5,619,392	511,158	2,363,883	-	8,494,433
Due to immediate parent company	-	-	-	128,212	128,212
Due to ultimate parent company	-	-	-	3,840	3,840
Accounts payable**	-	-	-	2,708,130	2,708,130
Total financial liabilities	15,716,644	4,228,476	2,615,560	2,882,567	25,443,247
Total interest sensitivity gap****	(13,079,632)	(3,062,376)	16,388,447	1,406,877	1,653,325
Cumulative gap	(13,079,623)	(16,141,999)	246,448	1,653,325	-

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Year ended December 31, 2024

28. Financial instruments-risk management (continued)

(d) Market risk (continued)

(ii) Interest rate risk (continued)

	Group 2023				
	Within 3 months $'000	3 to 12 months $'000	Over 12 months $'000	Non-rate sensitive $'000	Total $'000
Financial assets					
Cash and cash equivalents	237,737	-	-	639,918	877,655
Resale agreements***	1,491,998	81,106	-	-	1,573,104
Loans receivable***	268,893	1,046,413	3,336,362	-	4,651,668
Investment securities***	627,682	319,810	16,499,532	1,162,277	18,609,301
Accounts receivable*	-	-	-	75,044	75,044
Net investment in finance leases	10,967	32,900	48,860	-	92,727
Total financial assets	2,637,277	1,480,229	19,884,754	1,877,239	25,879,499
Financial liabilities					
Lease liabilities	-	-	-	54,961	54,961
Repurchase agreements***	9,394,114	5,124,752	-	-	14,518,866
Borrowings	7,173,892	1,023,210	479,445	-	8,676,547
Due to ultimate parent company	-	-	-	124,362	124,362
Accounts payable **	-	-	-	2,026,306	2,026,306
Total financial liabilities	16,568,006	6,147,962	479,445	2,205,629	25,401,042
Total interest sensitivity gap****	(13,930,729)	(4,667,733)	19,405,309	(328,390)	478,457
Cumulative gap	(13,930,729)	(18,598,462)	806,847	478,457	-

	Company 2024				
	Within 3 months $'000	3 to 12 months $'000	Over 12 months $'000	Non-rate sensitive $'000	Total $'000
Financial assets					
Cash and cash equivalents	114,452	-	-	-	114,452
Investment securities***	48,852	-	1,183,373	1,086,174	2,318,398
Net investment in finance leases	10,912	25,438	18,409	-	54,759
Resale agreement***	439,098	-	-	-	439,098
Loans receivable***	780,516	872,007	3,072,633	-	4,725,157
Accounts receivable*	-	-	-	41,872	41,872
Total financial assets	1,393,831	897,445	4,274,415	1,128,046	7,693,737
Financial liabilities					
Borrowings	5,606,170	511,158	2,363,883	-	8,481,211
Repurchase agreements***	378,289	-	-	-	378,289
Accounts payable**	-	-	-	74,500	74,500
Due to ultimate parent	-	-	-	1,044	1,044
Due to subsidiary company	-	-	-	1,810	1,810
Total financial liabilities	5,984,459	511,158	2,363,883	77,354	8,936,854
Total interest sensitivity gap****	(4,590,628)	(386,287)	1,910,532	1,050,692	(1,243,117)
Cumulative gap	(4,590,628)	(4,204,341)	(2,293,809)	(1,243,117)	-

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Year ended December 31, 2024

28. Financial instruments-risk management (continued)

(d) Market risk (continued)

(ii) Interest rate risk (continued)

	Company 2023				
	Within 3 months $'000	3 to 12 months $'000	Over 12 months $'000	Non-rate sensitive $'000	Total $'000
Financial assets					
Cash and cash equivalents	10,005	-	-	91,327	101,332
Investment securities***	-	138,862	1,976,194	423,367	2,538,423
Net investment in finance leases	10,967	32,900	48,860	-	92,727
Resale agreement***	215,654	-	-	-	215,654
Loans receivable ***	268,893	1,046,413	3,336,362	-	4,651,668
Accounts receivable*	-	-	-	11,852	11,852
Total financial assets	505,519	1,218,175	5,361,416	526,546	7,611,656
Financial liabilities					
Borrowings	7,085,955	1,023,210	479,445	-	8,588,610
Repurchase agreements***	438,069	-	-	-	438,069
Accounts payable **	-	-	-	362,797	362,797
Due to subsidiary company	-	-	-	122,538	122,538
Total financial liabilities	7,524,024	1,023,210	479,445	485,335	9,512,014
Total interest sensitivity gap****	(7,018,505)	194,965	4,881,971	41,211	(1,900,358)
Cumulative gap	(7,018,505)	(6,823,540)	(1,941,569)	(1,900,358)	-

* Accounts receivable excludes interest receivable and prepayments

** Accounts payable excludes interest payable, withholding tax and GCT payable

*** These financial instruments include interest.

****The total gap relates to financial instruments recognised in the statement of financial position as there are no unrecognised financial instruments

Average effective yields by the earlier of contractual re-pricing and maturity dates are as follows:

	2024 Group			
	Within 3 months %	3 to 12 months %	Over 12 months %	Overall average %
Assets				
J$ Cash and cash equivalents	5.00	-	-	5.00
US$ Cash and cash equivalents	0.30	-	-	0.30
J$ Resale agreements	5.22	-	-	5.22
US$ Resale agreements	5.22	3.45	-	4.34
J$ Investment securities	7.75	8.28	12.38	9.47
US$ Investment securities	-	8.55	5.98	7.27
J$ Margin loans	15.20	14.45	14.88	14.84
J$ Corporate loans	10.48	9.75	9.47	9.90
Net investment in finance leases	-	7.25	7.00	7.13
Liabilities				
Borrowings	11.00	11.50	8.63	10.41
J$ Repurchase agreements	4.15	4.85	-	4.50
US$ Repurchase agreements	0.76	3.61	3.49	2.62

	2023 Group			
	Within 3 months %	3 to 12 months %	Over 12 months %	Overall average %
Assets				
J$ Cash and cash equivalents	5.00	-	0.84	2.92
US$ Cash and cash equivalents	0.30	-	0.14	0.22
J$ Resale agreements	8.54	1.42	-	4.98
US$ Resale agreements	5.15	4.25	-	4.70
J$ Investment securities	7.50	9.76	7.42	8.10
US$ Investment securities	-	9.38	7.12	7.17
J$ Margin loans	14.55	4.90	14.34	14.60
J$ Corporate loans	-	-	10.72	10.72
Net investment in finance leases	8.75	-	7.06	7.91
Liabilities				
Borrowings	-	8.90	9.36	9.13
J$ Repurchase agreements	6.51	7.27	-	6.77
US$ Repurchase agreements	4.00	4.68	-	4.34

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Notes to the Financial Statements

Year ended December 31, 2024

28. Financial instruments-risk management (continued)

(d) Market risk (continued)

(ii) Interest rate risk (continued)

Average effective yields by the earlier of contractual repricing and maturity dates are as follows (continued):

	2024 Company			
	Within 3 months %	3 to 12 months %	Over 12 months %	Overall average %
Assets				
J$ Cash and cash equivalents	-	-	-	-
US$ Cash and cash equivalents	-	-	-	-
J$ Resale agreements	4.00	-	-	4.00
US$ Resale agreements	-	3.40	-	3.40
J$ Investments securities	-	-	12.38	12.38
US$ Investments securities	-	-	11.44	11.44
J$ Margin loans	15.20	14.45	14.88	14.84
J$ Corporate loans	10.48	9.75	9.47	9.90
Net investment in finance leases	-	7.25	7	7.13
Liabilities				
Borrowings	11.10	11.50	8.63	10.41
J$ Repurchase agreements	7	-	-	7
US$ Repurchase agreements	-	-	-	-

	2023 Company			
	Within 3 months %	3 to 12 months %	Over 12 months %	Overall average %
Assets				
J$ Cash and cash equivalents	-	-	0.84	0.84
US$ Cash and cash equivalents	-	-	0.14	0.14
J$ Margin loans	14.55	14.90	14.34	14.60
J$ Resale agreements	-	1.42	-	-
J$ Corporate loans	-	-	10.72	10.72
J$ Investments	-	1.14	7.59	4.37
Net investment in finance leases	8.75	-	7.06	7.91
Liabilities				
J$ Repurchase agreements	6.50	-	-	6.50
US$ Repurchase agreements	-	-	-	-
Borrowings	-	8.90	9.36	9.13

Sensitivity to interest rate movements

The following shows the sensitivity to interest rate movements at the reporting date on the group's profit and equity. The analysis assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis is performed on the same basis as for 2023.

	2024	2023
J$ interest rates	Increase by 25/decrease by 50 bps	Increase/decrease by 25 bps
US$ interest rates	Increase by 25/decrease by 50 bps	Increase/decrease by 25 bps

2024 Change in basis points JMD/USD	2024 Effect on Profit $'000	2024 Effect on equity $'000	2023 Change in basis points JMD/USD	2023 Effect on Profit $'000	2023 Effect on equity $'000
+25/+25	(10,853)	(288,536)	+25/+25	(14,695)	(170,083)
-50/-50	21,707	130,899	-25/-25	14,695	220,774

VM Investment Limited

Notes to the Financial Statements

Year ended December 31, 2024

28. Financial instruments-risk management (continued)

(d) Market risk (continued)

(iii) Equity price risk

Equity price risk arises from equity securities held by the group as part of its investment portfolio. Management monitors the mix of debt and equity securities in its investment portfolio based on market expectations. The primary goal of the group's investment strategy is to maximise investment returns while managing risk.

The group equity securities that are listed on the Jamaica Stock Exchange total $1,060,858,000 (2023: $857,044,000). An increase of 6% (2023: 6%) in share prices would result in an increase in profit of $22,810,000 (2023: $20,541,000) and an increase in other comprehensive income of $40,800,000 (2023: $30,600,000). A decrease of 2% (2023: 3%) in share prices would result in a decrease in profit of $7,693,000 (2023: $10,586,000) and a decrease in other comprehensive income of $13,770,000 (2023: $15,300,000).

(e) Capital management

The group's objectives when managing capital are to safeguard the group's ability to continue as a going concern, so that it can continue to provide returns to its shareholders and benefits for other stakeholders, to maintain a strong capital base to support the development of its business and to comply with the capital requirements set by the regulators of the subsidiary company.

The Financial Services Commission ("FSC") stipulates and monitors capital requirements for the non-deposit-taking financial services sector. The FSC requires that the subsidiary company maintains a capital base of which at least 50% is to be of Tier 1 capital. In addition, the FSC employs certain ratios to test capital adequacy and solvency.

The subsidiary company's regulatory capital position as at the reporting date was as follows:

	2024 $'000	2023 $'000
Tier 1 Capital	4,227,276	4,010,007
Tier 2 Capital	64,000	70,600
Total regulatory capital	4,291,276	4,080,607

	2024 $'000	2023 $'000
Risk-Weighted Assets:		
On statement of financial position	18,027,935	17,589,442
Foreign exchange exposure	429,536	338,427
	18,457,471	17,927,869
Operational risk-weighted assets	458,133	316,511
	18,915,604	18,244,380

	2024 $'000	2023 $'000

Capital adequacy ratios:

	FSC Benchmark	2024	2023
Tier 1 Capital/Total regulatory capital	Greater than 50%	98.51%	98.27%
Total regulatory capital/risk-weighted assets	Minimum 10%	22.69%	22.37%
Actual capital base /total assets	Greater than 6%	19.63%	19.68%

The capital position is sensitive to changes in market conditions. This sensitivity is due primarily to changes in the value of assets and liabilities resulting from changes in interest rates.

There was no change in the way the subsidiary company managed its capital during the financial year.

The Jamaica Stock Exchange ("JSE") monitors the capital requirements of the subsidiary as a member dealer.

VM Investment Limited

Notes to the Financial Statements

Year ended December 31, 2024

28. Financial instruments-risk management (continued)

(e) Capital management (continued)

The subsidiary company's capital position as at the reporting date was as follows:

	2024 $'000	2023 $'000
Net Free Capital	2,271,972	2,168,255
Minimum Capital Requirements	(879,292)	(833,776)
Excess of Net Free Capital	1,392,680	1,334,479
Total Liabilities	17,565,402	16,652,862

	JSE Benchmark	2024	2023
Net Free Capital/Total Liabilities	Greater than 5%	12.93%	13.02%

Throughout the year, the subsidiary company met all the requirements of the FSC and JSE relating to capital adequacy.

29. Financial instruments - fair values

(a) Definition and measurement of fair values

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 categorised 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.

Fair value hierarchy: The different levels in the hierarchy have been defined as follows:

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

The techniques used to estimate fair values, together with the inputs used, are described below.

(b) Valuation techniques for investment securities classified as Levels 2 and 3 as well as any significant unobservable inputs used.

The following table shows the valuation method for each unquoted investment security.

Investment security	Valuation approach	Fair value hierarchy level
Unquoted equities	Income	Level 3
Convertible preference shares	Income	Level 3
Preference shares	Income	Level 2
Convertible corporate bonds	Income	Level 2

Market Approach:

Under the market-based method, the fair market value of a business reflects valuation multiples based on comparable public companies or the price at which comparable businesses are purchased under similar circumstances. Use of the market-based method requires that comparable companies or transactions be available.

The primary limitation associated with the market-based method is the availability of comparable companies or transactions occurring as of a recent date upon which to establish fair market value.

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Notes to the Financial Statements

Year ended December 31, 2024

29. Financial instruments - fair values (continued)

(b) Valuation techniques for investment securities classified as Levels 2 and 3 as well as any significant unobservable inputs used (continued)

Income Approach:

The earnings/cash flow value of a going concern is based upon the yield to an investor, at the desired rate of return on investment, having regard to a number of factors such as the rate of return on alternate investments, the degree of risk involved and the liquidity of the investment. An earnings/cash flow-based method suggests a continuation of the business operation and is based upon a hypothetical purchaser's desire to develop the future profits of the business.

The following table shows the valuation techniques used in measuring the fair value of investment securities.

Type	Valuation techniques	Significant Unobservable input	Range of estimates (weighted average) for unobservable input	Fair value measurement sensitivity to unobservable inputs
J$ denominated securities issued or guaranteed by the Government of Jamaica and Bank of Jamaica.	• Obtain bid yield from yield curve provided by a recognised pricing source (which uses market-supplied indicative bids); • Using this yield, determine price using accepted formula; and • Apply price to estimate fair value.	• There are no significant unobservable inputs		
US$ denominated Government of Jamaica securities, foreign government securities, public sector securities, deferred shares and corporate bonds.	• Obtain bid price provided by a recognised brokers/dealer, namely, Oppenheimer. • Apply price to estimate fair value.	• There are no significant unobservable inputs		
Units in unit trust funds	• Obtain prices quoted by unit trust managers; and • Apply price to estimate fair value.	• There are no significant unobservable inputs		
Unquoted equities	• Discounted cash flow	• Expected net cash flows derived from the entity	• Investment based	A significant increase in the expected cash flows would result in a higher fair value.
Convertible preference shares	• Fair value determined by discounting the future expected cashflows using the after-tax cost of debt of 9.85% (2023: 10.36%	• Risk-adjusted discount rate • Expected net cash flows derived from the entity.	• Spread of 5.83% (2023: 7.85%) above risk-free interest rate	• A significant increase in the spread above the risk-free rate would result in a lower fair value.
Call options	• Applying the Black Scholes merton formula		• Investment based	A significant increase in the expected cash flows would result in a higher fair value.

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Year ended December 31, 2024

29. Financial instruments - fair values (continued)

(b) Valuation techniques for investment securities classified as Levels 2 and 3 as well as any significant unobservable inputs used (continued)

Type	Valuation techniques	Significant Unobservable input	Range of estimates (weighted average) for unobservable input	Fair value measurement sensitivity to unobservable inputs
Preference shares	• Obtain bid price provided by a recognised brokers/dealer, namely, Oppenheimer; • Apply price to estimate fair value.	• There are no significant unobservable inputs		
Convertible corporate bonds – call option	• Applying the Black Scholes merton formula	• There are no significant unobservable inputs		

Level 3 fair values

In respect of Level 3 instruments, the group recognised in the profit or loss, total gains of $369,634,000 relating to call options (2023: nil) and $5,546,000 as a result of the effects of fair value and foreign exchange rate movements (2023: $317,419,000).

The following tables shows a reconciliation from the opening balances to the closing balances for Level 3 fair values.

		Group			
		Redeemable preference shares $'000	Convertible preference shares $'000	Unquoted Equities $'000	Total $'000
Balance at 1 January 2023	-	-	81,250	81,250	
Additions		410,647	435,276	-	845,923
Disposals		-	-	(4,068)	(4,068)
Net change in fair value		5,493	296,356	-	301,849
Effect of changes in foreign exchange rates		-	15,472	98	15,570
Balance at 31 December 2023		416,140	747,104	77,280	1,240,524
Additions		211,427	-	-	211,426
Disposals		(410,647)	(320,893)	-	(731,539)
Recognition of call option		-	360,903	-	360,903
Net change in fair value		-	8,731	-	8,731
Effect of changes in foreign exchange rates		-	5,506	40	5,546
Balance at 31 December 2024		216,920	801,351	77,320	1,095,591

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Year ended December 31, 2024

29. Financial instruments - fair values (continued)

(b) Valuation techniques for investment securities classified as Levels 2 and 3 as well as any significant unobservable inputs used (continued)

Level 3 fair values (continued)

The following tables shows a reconciliation from the opening balances to the closing balances for Level 3 fair values (continued).

	Company			
	Redeemable preference shares $'000	**Convertible preference shares $'000**	**Unquoted Equities $'000**	**Total $'000**
Balance at 1 January 2023	-	-	77,182	77,182
Additions	410,647	435,276	-	845,923
Net change in fair value	5,493	296,356	-	301,849
Effect of changes in foreign exchange rates	-	15,472	98	15,570
Balance at 31 December 2023	416,140	747,104	77,280	1,240,524
Additions	211,427	-	-	211,427
Disposals	(410,647)	(320,893)	-	(731,540)
Recognition of call option	-	360,903	-	360,903
Net change in fair value	-	8,731	-	8,731
Effect of changes in foreign exchange rates	-	5,506	40	5,546
Balance at 31 December 2024	216,920	801,351	77,320	1,095,591

(c) Accounting classifications and fair values:

The following table shows the carrying amounts and fair values of financial assets and liabilities, including their levels in the fair value hierarchy.

	Group 2024							
	Carrying amount				Fair value			
	FVOCI $'000	Fair value through profit or loss $'000	Amortised cost $'000	Total $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial assets measured at fair value:								
Unquoted equities	-	77,320	-	77,320	-	-	77,320	77,320
Quoted equities	678,300	382,557	-	1,060,857	1,060,857	-	-	1,060,857
Units in unit trust funds	-	595,455	-	595,455	-	595,455	-	595,455
Redeemable preference shares	-	216,920	365,000	581,920	-	365,000	216,920	581,920
Convertible preference shares	-	801,351	-	801,351	-	-	801,351	801,351
Convertible corporate note	-	14,153	-	14,153	-	14,153	-	14,153
BOJ Securities	824,068	-	-	824,068	-	824,068	-	824,068
Government of Jamaica securities	12,148,602	-	-	12,148,602	4,264,788	7,883,814	-	12,148,602
Foreign government securities	902,341	-	-	902,341	677,813	224,528	-	902,341
Other public sector securities	16,130	-	-	16,130	-	16,130	-	16,130
Corporate bonds	1,911,561	-	553,227	2,464,788	-	2,464,788	-	2,464,788
	16,481,002	2,087,756	932,380	19,486,985	6,003,458	12,387,936	1,095,591	19,486,985

VM Investment Limited

Notes to the Financial Statements

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29. Financial instruments - fair values (continued)

(c) Accounting classifications and fair values:

The following table shows the carrying amounts and fair values of financial assets and liabilities, including their levels in the fair value hierarchy.

	Group 2024							
	Carrying amount				Fair value			
	FVOCI $'000	Fair value through profit or loss $'000	Amortised cost $'000	Total $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial assets not measured at fair value:								
Cash and cash resources	-	-	1,469,290	1,469,290	-	1,469,290	-	1,469,290
Resale agreements	-	-	861,775	861,775	-	861,775	-	861,775
Net investment in finance leases	-	-	54,759	54,759	-	54,759	-	54,759
Loans receivable	-	-	4,102,234	4,102,234	-	4,102,234	-	4,102,234
Accounts receivable excluding prepaid expense	-	-	559,943	559,943	-	559,943	-	559,943
	-	-	7,048,001	7,048,001	-	7,048,001	-	7,048,001
Financial liabilities not measured at fair value:								
Due to ultimate parent company	-	-	3,840	3,840	-	3,840	-	3,840
Borrowings	-	-	8,468,822	8,468,822	-	8,468,822	-	8,468,822
Lease liabilities	-	-	42,385	42,385	-	42,385	-	42,385
Repurchase agreements	-	-	13,933,279	13,933,279	-	13,933,279	-	13,933,279
Accounts payable-other	-	-	2,905,940	2,905,940	-	2,905,940	-	2,905,940
	-	-	25,354,266	25,354,266	-	25,354,266	-	25,354,266

	Group 2023							
	Carrying amount				Fair value			
	FVOCI $'000	Fair value through profit or loss $'000	Amortised cost $'000	Total $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial assets measured at fair value:								
Unquoted equities	-	77,280	-	77,280	-	-	77,280	77,280
Quoted equities	510,000	347,044	-	857,044	857,044	-	-	857,044
Convertible preference shares	-	747,104	-	747,104	-	-	747,104	747,104
Redeemable preference shares	-	416,140	-	416,140	-	-	416,140	416,140
Bank of Jamaica Securities	306,873	-	-	306,873	-	306,873	-	306,873
Government of Jamaica securities	12,194,884	-	113,478	12,308,362	-	12,306,634	-	12,306,634
Foreign government securities	901,361	-	-	901,361	-	901,361	-	901,361
Other public sector securities	201,880	-	-	201,880	-	201,880	-	201,880
Corporate bonds	1,481,120	-	766,080	2,247,200	-	2,292,322	-	2,292,322
Unit trust	-	227,953	-	227,953	-	227,953	-	227,953
	15,596,118	1,815,521	879,558	18,291,197	857,044	16,237,023	1,240,524	18,334,591
Financial assets not measured at fair value:								
Cash and cash resources	-	-	877,655	877,655	-	877,655	-	877,655
Resale agreements	-	-	1,570,988	1,570,988	-	1,570,988	-	1,570,988
Net investment in finance leases	-	-	92,727	92,727	-	92,727	-	92,727
Loans receivable	-	-	4,651,668	4,651,668	-	4,651,668	-	4,651,668
Accounts receivable excluding prepaid expense	-	-	411,956	411,956	-	411,956	-	411,956
	-	-	7,604,994	7,604,994	-	7,604,994	-	7,604,994

VM Investment Limited

Notes to the Financial Statements

Year ended December 31, 2024

29. Financial instruments - fair values (continued)

(c) Accounting classifications and fair values (continued):

Group 2023

	Carrying amount				Fair value			
	FVOCI $'000	Fair value through profit or loss $'000	Amortised cost $'000	Total $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial liabilities not measured at fair value:								
Due to ultimate parent company	-	-	124,362	124,362	-	124,362	-	124,362
Borrowings	-	-	8,569,092	8,569,092	-	8,569,092	-	8,569,092
Lease liabilities	-	-	54,961	54,961	-	54,961	-	54,961
Repurchase agreements	-	-	14,356,049	14,356,049	-	14,356,049	-	14,356,049
Accounts payable-other	-	-	2,414,844	2,414,844	-	2,414,844	-	2,414,844
	-	-	25,519,308	25,519,308	-	25,519,308	-	25,519,308

Company 2024

	Carrying amount			Fair value			
	Fair value through profit or loss $'000	Amortised cost $'000	Total $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial assets measured at fair value:							
Unquoted equities	77,320	-	77,320	-	-	77,320	77,320
Quoted equities	381,789	-	381,789	381,789	-	-	381,789
Units in unit trust funds	224,786	-	224,786	-	224,786	-	224,786
Corporate bonds	-	14,153	14,153	-	14,153	-	14,153
Redeemable preference shares	216,920	-	216,920	-	-	216,920	216,920
Convertible preference shares	801,351	-	801,351	-	-	801,351	801,351
Corporate bonds	-	553,227	567,380	-	567,380	-	567,380
	1,702,166	567,380	2,283,699	381,789	806,319	1,095,591	2,283,699
Financial assets not measured at fair value:							
Resale agreements	-	438,982	438,982	-	438,982	-	438,982
Cash and cash resources	-	114,452	114,452	-	114,452	-	114,452
Net investment in finance leases	-	54,759	54,759	-	54,759	-	54,759
Loans receivable	-	4,102,234	4,102,234	-	4,102,234	-	4,102,234
Accounts receivable excluding prepaid expense	-	143,401	143,401	-	143,401	-	143,401
	-	4,853,828	4,853,828	-	4,853,828	-	4,853,828
Financial liabilities not measured at fair value:							
Due to ultimate parent company	-	1,044	1,044	-	1,044	-	1,044
Due to subsidiary	-	1,810	1,810	-	1,810	-	1,810
Borrowings	-	8,455,600	8,455,600	-	8,455,600	-	8,455,600
Repurchase agreements	-	378,000	378,000	-	378,000	-	378,000
Accounts payable-other	-	158,667	158,667	-	158,667	-	158,667
	-	8,995,121	8,995,121	-	8,995,121	-	8,995,121

Company 2023

	Carrying amount			Fair value			
	Fair value through profit or loss $'000	Amortised cost $'000	Total $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial assets measured at fair value:							
Unquoted equities	77,280	-	77,280	-	-	77,280	77,280
Quoted equities	346,087	-	346,087	346,087	-	-	346,087
Redeemable preference shares	416,140	-	416,140	-	-	416,140	416,140
Convertible preference shares	747,104	-	747,104	-	-	747,104	747,104
Government of Jamaica securities	-	113,478	113,478	-	111,750	-	111,750
Corporate bonds	-	766,080	766,080	-	811,202	-	811,202
	1,586,611	879,558	2,466,169	346,087	922,952	1,240,524	2,509,563

Company 2023

	Carrying amount			Fair value			
	Fair value through profit or loss $'000	Amortised cost $'000	Total $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial assets not measured at fair value:							
Resale agreements	-	215,454	215,454	-	215,454	-	215,454
Cash and cash resources	-	101,332	101,332	-	101,332	-	101,332
Net investment in finance leases	-	92,727	92,727	-	92,727	-	92,727
Loans receivable	-	4,651,668	4,651,668	-	4,651,668	-	4,651,668
Accounts receivable-other excluding prepaid expense	-	100,695	100,695	-	100,695	-	100,695
	-	5,161,876	5,161,876	-	5,161,876	-	5,161,876
Financial liabilities not measured at fair value:							
Due to subsidiary	-	122,538	122,538	-	122,538	-	122,538
Borrowings	-	8,569,092	8,569,092	-	8,569,092	-	8,569,092
Repurchase agreements	-	438,000	438,000	-	438,000	-	438,000
Accounts payable-other	-	58,114	58,114	-	58,114	-	58,114
	-	9,187,744	9,187,744	-	9,187,744	-	9,187,744

- During the year, the group experienced fair value gains (2023: gains) related to instruments that are measured at FVOCI amounting to $31,197,000 (2023: $186,855,000), net of expected credit losses and recycling gains of $675,041,000 (2023: $675,720,000) [See note 23] The change is as a result of market conditions such as discount rates, yields and other macro-economic factors that affect the fair values.

VM Investment Limited

Notes to the Financial Statements

Year ended December 31, 2024

29. Financial instruments - fair values (continued)

(c) Accounting classifications and fair values (continued):

- The carrying amounts reflected in the financial statements for financial instruments such as cash and cash equivalents, accounts receivable, accounts payable, lease liabilities, resale and repurchase agreements approximate their fair value due to their short-term nature, or, where long term, due to no discounting anticipated on settlement. These are all considered to be level 2 instruments within the fair value hierarchy.

30. Related party transactions and balances

(a) Definition of related party

A related party is a person or entity that is related to the group.

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

i) has control or joint control over the group;

ii) has significant influence over the group; or

iii) is a member of the key management personnel of the group or of a parent of the group.

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

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

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of an entity of which the other entity is a member).

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

(iv) One entity is a joint venture of a third entity, and the other entity is an associate of the third entity.

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

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

(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(viii) The entity or any member of a group of which it is a part providing key management services to the group or to the parent of the group.

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

(b) Identity of related parties

The group has a related party relationship with its ultimate parent company, immediate parent company, fellow subsidiaries, entities over which it has significant influence, associate of ultimate parent company, key management personnel, including directors and the pension plan.

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

	Group		Company	
	2024	**2023**	**2024**	**2023**
	$'000	**$'000**	**$'000**	**$'000**
Cash and cash equivalents:				
Fellow subsidiary	138,956	57,774	15,937	10,005
Resale agreements:				
Fellow subsidiary	-	500,000	438,982	-
Subsidiary	-	-	-	215,454
Repurchase agreements:				
Subsidiary	-	-	378,000	438,000
Fellow subsidiaries	1,249,069	828,803	-	-
Directors	20,479	13,655	-	-
Key management personnel, excluding directors	82,995	22,020	-	-
Investment securities:				
Immediate parent company	576,427	410,467	211,427	-
Related party – VM Unit Trusts	595,455	227,953	224,786	-
Directors	-	130,030	-	-
Key management personnel, excluding directors	-	2,210	-	-

Notes to the **Financial Statements** CONTINUED

Year ended December 31, 2023

30. Related party transactions and balances (continued)

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

Accounts receivable:				
Immediate parent company	66,357	-	66,253	-
Subsidiary	-	-	117	200
Fellow subsidiaries	1,548	4,119	-	1,997
Related party – VM Wealth Funds Ltd.	29,089	-	-	-
	30,637	4,119	117	2,197
Loans receivable:				
Directors	151,563	172,457	151,563	172,457
Immediate parent company	762,600	-	762,600	-
Due to ultimate parent company	3,840	-	1,044	-
Due to immediate parent company	128,212	124,362	-	-
Due to subsidiary company	-	-	1,810	122,538
Borrowings:				
Directors	11,000	6,000	11,000	6,000
Accounts payable – other:				
Subsidiary	-	-	289	441
Fellow subsidiaries	94,574	57,995	1,465	-
Related parties by significant influence	4,323	4,301	-	-
Directors	29,374	32,345	-	-
Key management personnel, excluding directors	1,589	237	-	-

(i) Cash and cash equivalents, resale agreements, repurchase agreements and investment securities transactions with related parties have been conducted in the ordinary course of the business at contracted rates.

Range of interest rates charged on transactions are disclosed below:

	Group	
	2024 $'000	**2023 $'000**
Cash and cash equivalents	0.01-0.08% per annum	0.01-0.08% per annum
Resale agreements	5.00-5.35% per annum	4.50-8.50% per annum
Repurchase agreements	5.00-5.35% per annum	3.00-4.25% per annum
Investment securities[1]	10.00-12.50% per annum	Nil
Due from related party	6.28% per annum	Nil

	Company	
	2024 $'000	**2023 $'000**
Cash and cash equivalents	0.01-0.08% per annum	0.01-0.08% per annum
Resale agreements	5.00-5.35% per annum	9.25% per annum
Repurchase agreements	5.00-5.35% per annum	4.35-4.85% per annum
Investment securities[1]	10.00-12.50% per annum	Nil

[1] Included in investments (2023: Nil) are the following quoted preference shares held in the immediate parent company:

(a) 3,000,000 10% "Class A" Redeemable Cumulative Preference Shares with a carrying value of $300 million. Dividends are paid quarterly at 10% per annum up to redemption date, being March 31, 2026. The immediate parent company has the option to redeem 365 days after the issue date up to the date of redemption.

*See note 35

VM Investment Limited

Notes to the Financial Statements

Year ended December 31, 2024

30. Related party transactions and balances (continued)

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

(i) (Continued)

(b) 650,000 12.5% "Class C" Redeemable Cumulative Preference Shares with a carrying value of 65,000,000. Dividends are fixed at 12.50% for 24 months to March 2025. Thereafter, dividend will vary at 300 bsis points above the GOJ Weighted Average 3-month Treasury Bill rate in June, September, December, and March until maturity. The shares are redeemable on March 31, 2028.The immediate parent company also has the option to redeem 365 days after the issue date up to the date of redemption.

Rights of the preference shareholder include:

- Cumulative preferential dividend at the dividend yield;
- Priority of payment to receive all dividends over any form of capital distributions (e.g. dividends or share buybacks) to common equity holders;
- Full voting rights on winding up only or in the case of certain dividend non-payments; and
- Ranking in priority to common equity in the event of a winding up.

Other balances due to or from related parties are unsecured, interest free, and are expected to be settled within the next 12 months. Impairment loss reversed on related party balances during the reporting period was $Nil (2023: a reversal of $1,911,000).

(d) The income statement includes the following income earned from, and expenses incurred in, transactions with related parties, in the ordinary course of business:

	Group		Company	
	2024	2023	2024	2023
	$'000	$'000	$'000	$'000
Interest and dividend income:				
Immediate parent company	105,941	27,364	72,353	27,364
Subsidiary	-	-	9,467	12,978
Fellow subsidiaries	14,083	46,063	-	-
Directors	15,977	-	15,977	-
Management fee income:				
Immediate parent company	-	55,209	-	-
Fees and commission income:				
Related party – VM Wealth Funds Ltd.(iv)	19,379	-	-	-
Gain on disposal of interest in associated company-Carilend:				
Immediate parent company (i)	422,265	-	422,265	-

VM Investment Limited

Notes to the Financial Statements

Year ended December 31, 2024

30. Related party transactions and balances (continued)

(d) The income statement includes balances, arising in the ordinary course of business, with related parties, as follows (continued):

	Group		Company	
	2024 $'000	2023 $'000	2024 $'000	2023 $'000
Operating expenses:				
Management fees (included in note 26):				
Ultimate parent company	133,133	-	-	-
Immediate parent company	32,744	13,096	3,750	-
Fellow subsidiary	-	91,290	-	-
Subsidiary (ii)	-	-	71,935	13,096
Payroll related recharges (iii) (included in note 25)	165,877	104,386	75,685	13,096
Immediate parent company	211,080	161,997	-	-
Fellow subsidiary	-	161,997	-	-
Maintenance and other expenses (iii) (included in note 26)				
Fellow subsidiary	4,449	-	1,149	-
Interest expense:				
Subsidiary	-	-	35,389	12,241
Fellow subsidiaries	57,532	42,104	-	-
Directors	2,483	257	1,254	-
Key management personnel, excluding directors	2,818	467	-	-
Directors' fees (note 26)	25,251	27,312	14,235	15,322
Short-term employee benefits:				
Key management personnel, excluding directors	126,953	92,456	-	-

(i) The group and company disposed of its 30% interest in Carilend, a former interest in associate. Proceeds from disposal amounted to $762,600,000.

Effective March 28, 2024, the group sold the 300 "Class C" Common Shares and 2,175 "Class C" Cumulative Convertible Redeemable Preference shares held in Carilend to its immediate parent company for a consideration of US$2,745,000 and US$2,175,000, respectively to aggregate US$4,920,000 or J$762,600,000. The gain on sale of the disposal of these shares was $422,265,000.

On the same date, the immediate parent company entered into a secured promissory note arrangement to borrow J$762,600,000 from the company to assist in purchasing 750,000 Class C ordinary shares and 2,175,000 "Class C" Cumulative Convertible Redeemable Preference shares held in Carilend. The term of the arrangement is twenty-four (24) months.

Interest on the facility is payable quarterly at a fixed rate basis of 10.50% per annum.

(ii) The parent company has no employees. The parent company's activities are administered by staff employed to the subsidiary company. The price that is charged to administer the affairs of the parent company is represented by the management fees charged by the subsidiary company.

Management fee expense is based on 20% of the parent company's profit before tax excluding management fees and dividend income.

(iii) The group receives support services from its immediate parent company, VM Financial Group Limited, for which payroll costs are recharged.

(iv) Portfolio management fee income from a related party, VM Wealth Funds Limited is based on 1.00 – 1.50% per annum of the total assets of the funds.

VM Investment Limited

Notes to the Financial Statements

Year ended December 31, 2024

31. Earnings per share

(a) Basic earnings per share

The calculation of basic earnings per share is calculated by dividing the profit for the year attributable to owners of the company of $555,722,000 (2023: $198,844,000), by a weighted average number of ordinary shares held during the year.

	2024	2023
Number of ordinary shares at December 31	1,500,025,000	1,500,025,000
Basic earnings per share (cents)	37¢	13¢

(b) Diluted earnings per share

The calculation of diluted earnings per share is calculated by dividing the profit for the year attributable to owners of the company of $555,722,000 (2023: $198,844,000), by a weighted average number of ordinary shares held during the year, after adjustments for the effects of all dilutive potential ordinary shares.

	2024	2023
Number of ordinary shares at December 31	1,500,025,000	1,500,025,000
Effect of potential redemption of convertible preference shares	50,000,000	50,000,000
Weighted average number of ordinary shares held during the year (diluted)	1,550,025,000	1,550,025,000
Diluted earnings per share (cents)	36¢	13¢

32. Contingent liabilities and capital commitment

The subsidiary company is subject to claims, disputes, and legal proceedings, as part of the normal course of business. Provision is made for such matters when it is probable that a payment will be made by the subsidiary company, and the amount can be reasonably estimated.

Certain suits have been filed by customers against the subsidiary company for alleged breach of fiduciary duty, abetting of breach of fiduciary duty, breach implied contract and breach of contract related to investment services provided to plaintiff. At the date of authorising these financial statements for issue, no legal opinion was formed on the probable outcome of the cases as the disputes were in the early stages. As such, no provision was made in the financial statements for these claims.

During the prior reporting period, the company entered into an agreement with Jasmef Limited, a company domiciled in St. Lucia, to which the company committed to make capital contributions up to a total agreed amount of US$10 million, subject to the relevant terms and conditions. These contributions are to be made as set forth in drawdown notices to be delivered to the company by Jasmef, subject to the relevant terms and conditions. As at December 31, 2024, the company had made capital contributions totaling US$1,121,567 (2023: US$622,735).

33. Dividends

(a) On June 28, 2024, and November 25, 2024, the Board of Directors declared dividends of 0.032 cents and 0.053 cents per ordinary stock unit respectively, of the paid-up capital stock of 1,500,025,000 ordinary stock units, paid to the shareholders on record as at July 9, 2024 and December 5, 2024 respectively.

(b) On December 31, 2024, the subsidiary's Board of Directors declared an interim dividend of $38.2951 per non-redeemable non-cumulative preference share unit of the paid-up capital stock of 1,500,000 ordinary stock units to its inmmediate parent company and the group's parent company, VM Financial Group Limited. The amounts were paid on January 28, 2025.

Corporate Data

BOARD OF DIRECTORS

Mr Michael McMorris (Chairman)

Mr Matthew Wright

Mr Courtney Campbel

Mr Rezworth Burchenson (CEO)

Mrs Janice McKenley

Mr Noel Hann

Mr Vikram Dhiman

Mr Phillip G. Silvera

Mrs Sandra M. Shirley-Auxilly

Milton J. Samuda

EXECUTIVE OFFICERS

Rezworth Burchenson (CEO)

Brian Frazer (Deputy CEO)

REGISTERED OFFICE
6-10 Duke Street
Kingston, Jamaica, WI

CORPORATE OFFICE
73-75 HWT Road, Kingston 10, Jamaica, WI

CORPORATE SECRETARY
Keri-Gaye Brown

ATTORNEYS-AT-LAW
Messrs Patterson, Mair, Hamilton | Temple Court
85 Hope Road, Kingston 6, Jamaica, WI

REGISTRAR AGENT
Jamaica Central Securities Depository Limited
40 Harbour Street, Kingston, Jamaica, WI

BANKER
National Commercial Bank
Jamaica Limited
32 Trafalgar Road
Kingston 5, Jamaica, WI

AUDITOR
KPMG
P.O Box 76, 6-10 Duke Street, Kingston
Jamaica, WI

CREDIT RATINGS
CariCRIS investment-grade rating of CariBBB

SUBSIDIARIES
VM Wealth Management Ltd

AFFILIATES
Kingston Properties Ltd

CONTACT US

Clover Moore
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VM Group
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Mobile: (876) 383-2724

Mikhail Mcleod
Manager
Legal and Compliance
Email: Mikhail.Mcleod@myvmgroup.com
Mobile: (876) 383-4903

BRANCH DIRECTORY

BRANCHES

Head Office
53 Knutsford Boulevard, Kingston 5

Liguanea/UTech

Duke Street

Portmore

Mandeville

Ocho Rios

Montego Bay

Savanna-la-Mar

VM Investments
Limited

VM INVESTMENTS LIMITED (the "Company")

Annual General Meeting

FORM OF PROXY

Postage Stamp

I/We ____

of ____,

being a Member/ Shareholder of the above named Company, hereby appoint

____

of ____,

or failing him, ____,

of ____

as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on the **11th day of June, 2025 at 3:00 p.m.** and at any adjournment thereof.

This form is to be used in favour of the resolution. Unless otherwise instructed, the proxy will vote as he thinks fit.

Please indicate by inserting a cross (X) in the appropriate box how you wish your votes to be cast.

NOTES:

1. To be valid, this form of proxy and the power of attorney or other authority (if any) under which it is signed must be lodged at the Registered Office of the Company, at-least forty-eight (48) hours before the time appointed for the Meeting.
2. The Proxy Form should bear stamp duty of $ 100.00 or such amount as prescribed by the Stamp Duty Act. The stamp duty may be paid by adhesive stamp(s) which shall be affixed to this Form.
3. In the case of joint shareholders, the vote of the Senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the vote(s) of the other joint holder(s) and for this purpose seniority shall be determined by the order in which the names stand in the register of members.
4. To be effective, this form of proxy must be signed by the appointer or his/her attorney, duly authorized in writing or, if the appointer is a corporation, must be under its common seal or be signed by some officer or attorney duly authorized in that behalf.

Senior Shareholder – first name appearing on the register of shareholders

	FOR	AGAINST
1. Resolution No. 1 – Audited Accounts	☐	☐
“THAT the Audited Accounts of the Company for the year ended December 31, 2024 and the Reports of the Directors and Auditors, circulated with the Notice convening the Meeting, be and are adopted.”		
2. Resolution No. 2 - Declaration of Dividend	☐	☐
“THAT the interim dividend of $0.032 per stock unit, paid on July 9, 2024, be and is hereby ratified and declared for the financial year ended December 31, 2024.” **“THAT** the interim dividend of $0.053 per stock unit, paid on December 5, 2024, be and is hereby ratified and declared as the final dividend for the financial year ended December 31, 2024.”		
3. Resolution No. 3 – Retirement of Directors	☐	☐
A) Retirement by Rotation Pursuant to Article 108 **“THAT** Director **Mr. Michael McMorris** retiring by rotation pursuant to Article 108, of the Articles of Incorporation, who being eligible for re-election, is hereby elected." **“THAT** Director **Mr. Matthew Wright** retiring by rotation pursuant to Article 108, of the Articles of Incorporation, who being eligible for re-election, is hereby elected." **“THAT** Director **Mr. Rezworth Burchenson** retiring by rotation pursuant to Article 108, of the Articles of Incorporation, who being eligible for re-election, is hereby elected."		

	FOR	AGAINST
B) Retirement Pursuant to Article 106: **“THAT** Directors Maria Evelyn-Robinson and Frederick Williams, having been appointed effective February 12, 2025 and March 24, 2025, respectively as additions to the Board since the date of the last Annual General Meeting, and retiring pursuant to the Article 106 of the Articles of Incorporation, being eligible for re-election, be and are hereby re-elected.”		
4. Resolution No. 4 – Directors’ Remuneration	☐	☐
“THAT the amount of **$25,251,000** included in the Audited Consolidated Accounts of the Company for the year ended December 31, 2024 as remuneration for their services as Directors be and is hereby approved.”		
5. Resolution No. 4 – Directors’ Remuneration	☐	☐
“THAT KPMG, Chartered Accountants, having signified their willingness to continue in office as Auditors, be and are hereby appointed Auditors of the Company to hold office until the next Annual General Meeting, at a remuneration to be agreed with the Directors.”		

DATED this 14th day of May 2025.

BY ORDER OF THE BOARD

The 8th Public Annual General Meeting

Keri-Gaye Brown
Corporate Secretary
REGISTERED OFFICE
6-10 Duke Street
Kingston

Signed: ______________________________


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