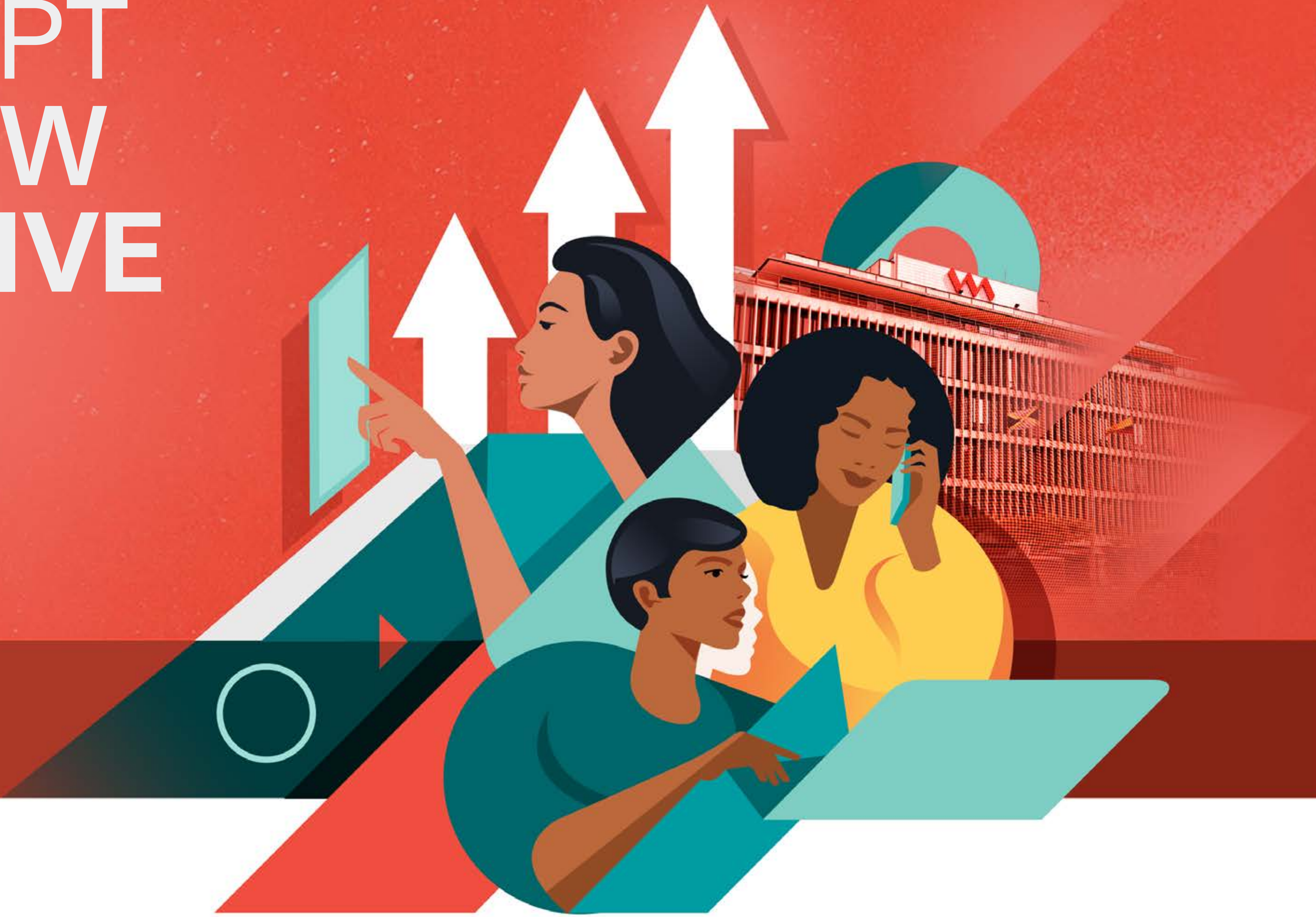
ADAPT
GROW
THRIVE



VM Investments Limited

Annual Report ▶ 2023

ADAPT
GROW
THRIVE

VM Investments
Limited

Our Core

Purpose

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

Vision

To be the leading Caribbean-based mutual provider of financial services.

Mission

We are a mutual organization 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.

Core Values

- Member Focus
- Integrity
- Teamwork
- Innovation
- Excellence

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Notice of **Annual General Meeting**

NOTICE IS HEREBY GIVEN that the Annual General Meeting of **VM INVESTMENTS LIMITED** (the "Company") will be held at the Training Room, VM Corporate Office, 73-75 Half Way Tree Road, Kingston 5, in the parish of Saint Andrew on **Thursday, July 4, 2024 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, 2023 and the Reports of the Directors and Auditors, circulated with the Notice convening the Meeting, be and are adopted."

2. **Resolution No. 2 – Retirement of Directors**

   2A) Retirement by Rotation pursuant to Article 108:

   "THAT Director **Mrs. Sandra Shirley-Auxilly** retiring by rotation pursuant to Article 108, of the Articles of Incorporation, who being eligible for re-election, is hereby elected."

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

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

3. **Resolution No. 3 – Directors' Remuneration**

   "THAT the amount of $27,312,000 included in the Audited Consolidated Accounts of the Company for the year ended December 31, 2023 as remuneration for their services as Directors be and is hereby approved."

4. **Resolution No. 4 – 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."

5. **Special Business**
   Resolution

   WHEREAS the authorised share capital of the Company at the date of adoption of this resolution is 6,188,019,600 of which 1,500,025,000 and 12,000,000 shares have been issued as ordinary shares and preference shares, respectively. BE IT NOW RESOLVED THAT the authorised share capital of the Company be increased to an unlimited amount of shares and that the Directors be and are hereby authorised to issue, from time to time, such number of shares as preference shares and to determine, as they shall deem fit, the rights, privileges, conditions and stipulations to be attached to each and any such class of preference shares without further reference to the members in General Meetings.

DATED this 30th day of May, 2024

BY ORDER OF THE BOARD

Keri-Gaye Brown
Corporate Secretary
REGISTERED OFFICE
6-10 Duke Street
Kingston

A Member 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 Member.

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, 2023.

2. The Consolidated Statement of Revenues and Expenses reports pre-tax profit for the year of $173,298,000 to which there has been added a credit of $25,546,000 for corporate income tax, resulting in an after-tax profit of $198,844,000.

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

   Director **Mrs. Sandra Shirley-Auxilly** retiring by rotation pursuant to Article 108 of the Articles of Incorporation, who being eligible for re-election is hereby elected.

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

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

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

   C) Resignation – The Board acknowledges the resignation of Director Devon Barrett from VM Investments Limited effective March 31, 2024 and expresses gratitude to him for his dedicated service to the Board of Directors.

4. 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

Corporate **Profile**

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 in the investment firm. The remaining twenty per cent (20%) is owned by 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 one margin loan, one insurance premium financing, one lease financing, one underwriting service and one secured corporate loan at a time.

VMIL is the parent company of VM Wealth Management Limited (VMWM). VMIL has also, over the years, acquired significant holdings in Barbados-based Carilend, Kingston Properties Limited (KPREIT), Home Choice Limited and through VMWM, Coldbush Organics.
As a member of the VM Group, VMIL is guided by the Group's Vision, Mission, Strategic Goals, Core Values, and Cultural Beliefs.

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 backed by over 145 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 people and organisations in Jamaica, the Caribbean, and across the globe.

Positioning for Greater Regional Reach

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. Subsequent to the end of 2023, VMWM completed the acquisition of Republic Funds (Barbados) Incorporated (RFI) and incorporated VM Wealth Funds Limited, which will continue to manage the Barbados mutual funds.

Our Competitive Advantage

VMIL leverages a robust competitive advantage through its suite of financial services, catering to a diverse clientele with tailored investment solutions. By offering technological solutions supported by in-depth analysis, VMIL ensures precise and strategic decision-making, offering clients the potential to earn superior returns on investments. This approach, combined with a team of seasoned financial experts, allows VMIL to provide personalised advice and innovative financial products that address specific client needs and market conditions. VMIL's commitment to innovation and excellence solidifies its position as a trusted leader in the investment sector.

Additionally, VMIL's deep-rooted understanding of the local market and its strategic partnerships enhance its ability to capitalise on emerging opportunities. The firm's strong focus on sustainable and responsible investing aligns with global trends, attracting investors who prioritise environmental, social, and governance criteria. VMIL's proactive approach to market trends and dedication to client satisfaction fosters long-term relationships and loyalty, creating a resilient business model that withstands market fluctuations. This unique combination of technological prowess, market insight, and commitment to sustainability distinguishes VMIL from its competitors.

OUR BUSINESS

Group **Organisational Chart**

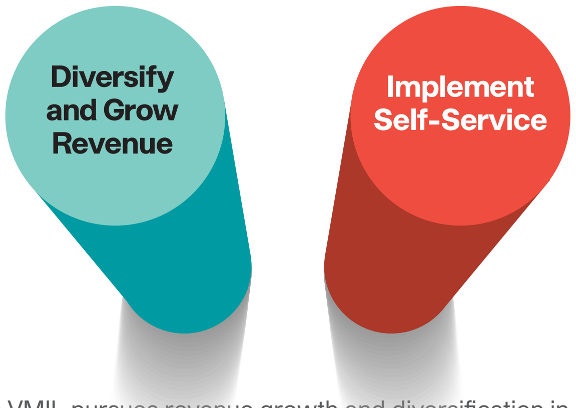
OUR BUSINESS

VMIL Strategy

2028 Vision of Success

Two-Pillar Strategy

VMIL has charted a clear and robust path to medium/long-term success. This path is detailed in our 2024-2026 Strategic Plan and features our two-pillar strategy:



As VMIL pursues revenue growth and diversification in 2024 and beyond – reducing dependency on any one revenue source, spreading financial risk, driving innovation, and becoming competitive in multiple markets – there are robust efforts to grow Assets Under Management (AUM), expand funding sources, and rationalise products.

In this context, VMIL will be operationalising a strategy to - inter alia - structure and launch new funds, facilitate lucrative private equity investments, explore real estate development, tokenise assets, increase our regional presence and engage international investors via our diaspora thrust.

Underpinning VMIL's revenue generation and market expansion ambitions are a number of strategic initiatives, which will also serve to advance our drive to become a self-serve investment company. The steady implementation of these initiatives will see VMIL becoming increasingly customer-adaptive, closing gaps related to customer touchpoints, empowering clients with financial education in line with their needs, and equipping customers with digital solutions to foster a sense of independence and control.

Vision 2028

Our 2024-2026 strategy fits into a wider strategic framework, dubbed Vision 2028. Vision 2028 was conceptualised in 2018 and comprises the following markers of success:

1. The Place to Work for High Performers
2. Overseas Expansion – Caribbean, Central America and Latin America
3. #1 in Customer Service
4. #1 Provider of Financial Education
5. #1 Provider of Cutting-Edge Solutions
6. #1 Fund Manager
7. JSE Stock of the Decade – Best Corporate Governance and Investor Relations

We reaffirm our commitment to Vision 2028 and will continue to leverage the expertise, creativity, and commitment of team members to advance this significant strategic thrust.

The Balanced Scorecard

2023 Strategic Achievements

At VMIL, we take pride in planning and managing for results. It is this discipline that allowed us to achieve some significant milestones in 2023. Guided by our 2021-2023 Strategic Plan, we implemented a number of strategic initiatives along four pillars, namely Process Improvements, Digitisation, Diaspora Engagement, and Growth/Regional Expansion.

This strategic move facilitated a number of achievements, which we are pleased to highlight below.

#	Project/Initiative Name:	Strategic Goal:	Strategic Objective:	Achievements:
1	Brand Awareness/Products/Grow Client Base	Empowered Members	C1 – Grow Active Members & Clients C3 – Strengthen the VMIL Brand	▸ Shortlisted for JSE Best Practices Corporate Governance Award ▸ JSE Best Practices Awards: 2nd Runner Up for Member Dealers - Expansion of Investors & Listed Companies Base ▸ VMIL's CariCRIS rating upgraded to BBB
2	Digitization/Automation Initiatives	Modern Mutual	IP1 – Exploit Digital Technologies	▸ Enhancement of IPO Edge - Private Placement for Preference Share Offer
3	Diaspora Engagement	Strong, Integrated Group	F1 – Profitable Revenue Growth F3 – Widen Market Scope C1 – Grow Active Members & Clients	▸ Diaspora in UK, US and Canada engaged in collaboration with other VM Group strategic units
4	Enhance Private Equity Framework	Strong, Integrated Group	F1 – Profitable Revenue Growth	▸ Jamaica Actus Small and Medium Enterprises Fund (JASMEF) signed first investment deal
5	Overseas Expansion	Strong, Integrated Group	F1 – Profitable Revenue Growth F3 – Widen Market Scope C1 – Grow Active Members & Clients	▸ Acquired Mutual Fund Administrator status in Barbados
6	Improve Sales Output	Employer of Choice	F1 – Profitable Revenue Growth C2 – Improve Customer Experience IPN – Effective Client Relationship Management	▸ Record-high Net Promoter Score (NPS) of 37
7	Carry Out Mergers and Acquisitions	Strong, Integrated Group	LG2 – Manage Investment Portfolios and Carry Out Mergers and Acquisitions	▸ Acquired Mutual Fund Administrator status in Barbados

VMIL Strategy

CONTINUED

VMIL 2021-2023 Strategy Map

Financial	F1: Profitable Revenue Growth	F2: Increase Capital Base	F3: Widen Market Scope	
Customer	C1: Grow Active Members & Clients	C2: Improve Customer Experience	C3: Strengthen the VMIL Brand	C4: Build Financial Literacy
Internal Processes	IP1: Exploit Digital Technologies	1P2: Increase Efficiency	1P3: Manage Investment Portfolios	1P4: Advance ESG Strategy
	1P5: Manage Risks	1P6: Integrate SBUs	1P7: Effective Client Relationship Management	
Learning & Growth	LG1: Engage Team Members	LG2: Manage Investment Portfolios & Carry Out Mergers & Acquisitions	LG3: Innovative Products and Services	

OUR BUSINESS

Market Trends

1 Rise of FinTech & Collaboration

The rise of Fintech companies is reshaping the financial landscape, presenting both challenges and opportunities for traditional financial institutions. Fintechs are disrupting established norms and prompting a shift towards collaboration rather than direct competition. Partnerships between these disruptive startups and established financial entities are becoming increasingly common, leading to a fusion of traditional banking services with cutting-edge technology solutions.

2 Remote Work & Digital Transformation

The shift to remote work has rapidly accelerated digital transformation in finance. Companies are embracing virtual client meetings and cloud-based investment platforms, enhancing efficiency and accessibility. This transition emphasizes the need for robust cybersecurity to protect sensitive data in a remote-first environment. This evolution is not just part of the after-effects of the pandemic, but a strategic move towards a more agile and technology-driven future in the financial industry.

3 Responsible & Impact Investing

Beyond Environmental, Social and Governance (ESG) criteria, there's a growing emphasis on 'impact investing', where investors actively seek opportunities to generate positive social or environmental impact alongside financial returns. This approach goes beyond mere compliance with ESG standards, focusing on tangible contributions to society and the planet. Companies demonstrating a clear commitment to sustainability and social responsibility are increasingly attractive to investors. As this trend gains momentum, investors are not only looking at financial performance but also assessing the measurable impact of their investments, driving a shift towards a more socially conscious and sustainable investment landscape.

4 Diversity & Inclusion

Success in the financial industry is increasingly tied to fostering diverse and inclusive workplaces. Companies recognise that diverse teams lead to better decision-making and innovation. Embracing diversity is not just a matter of social responsibility but a strategic advantage. Organisations that prioritise diversity attract top talent and build stronger connections with diverse customer bases.

5 A.I. & Predictive Analytics

Artificial Intelligence (AI) and predictive analytics are transforming investment strategies. Advanced algorithms analyse vast data to forecast trends and provide insights for decision-making. Investment professionals leverage AI to quickly interpret market data, identify patterns, and make data-driven decisions. AI enhances risk management by offering real-time monitoring for potential risks and opportunities. Its role in investment is becoming integral, optimising returns and managing risks in dynamic markets.

OUR BUSINESS

7-Year Statistical Review

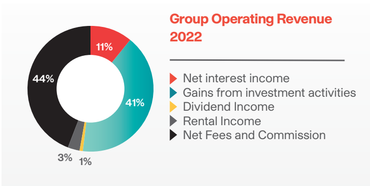
	2017	2018	2019	2020	2021	2022	2023
BALANCE SHEET							
Total Assets	20,068,454	21,610,199	25,327,701	29,493,139	30,924,602	28,941,792	29,506,794
Cash & Cash Equivalents	3,409,989	740,538	1,917,241	1,571,567	763,557	1,192,249	877,655
Resale Agreements	3,371,409	4,217,141	3,937,275	7,380,680	4,051,332	752,147	1,570,685
Investments Securities	11,683,640	13,241,358	16,718,180	16,366,621	20,399,811	17,560,235	18,276,764
Loan Receivables	441,057	1,376,139	1,876,637	1,789,651	3,482,266	5,467,380	4,651,668
Total Liabilities	17,484,432	18,837,775	21,000,873	25,359,543	27,868,027	26,453,220	25,456,585
Repurchase Agreements	13,164,960	15,454,981	16,999,392	20,312,831	19,649,270	15,589,291	14,356,049
Shareholder's Equity	2,584,022	2,772,424	4,326,828	4,133,596	3,056,575	2,488,572	4,050,209
Shareholder's Equity Attributable to the owners	2,534,022	2,722,424	4,276,828	4,083,596	3,006,575	2,438,572	2,500,209
INCOME STATEMENT							
Net Interest Income	246,989	250,079	260,381	289,622	369,214	253,038	47,821
Net Fees & Commission	500,163	838,268	933,128	925,323	791,956	1,011,760	944,933
Gains From Investment Activities	193,077	213,879	485,899	593,988	670,156	946,527	866,343
Consolidated Revenues	966,455	1,306,775	1,682,961	1,875,589	1,856,147	2,336,950	1,882,536
Total Operating Expense	498,630	767,740	881,397	1,240,712	1,197,928	1,400,674	1,873,649
Staff Cost	292,329	349,068	518,023	587,487	648,619	764,675	912,572
Other Operating Cost	206,301	313,230	459,416	533,906	544,443	756,325	810,701
Depreciation & Amortization	11,241	28,888	66,452	72,604	79,019	89,410	$102,915
Taxation charge / (credit)	121,523	141,437	188,178	165,283	218,187	219,688	(25,546)
Pre-Tax Profit	467,825	539,035	786,227	598,873	658,219	936,276	173,298
Net Profit	346,302	397,598	598,049	433,590	440,032	716,588	198,844

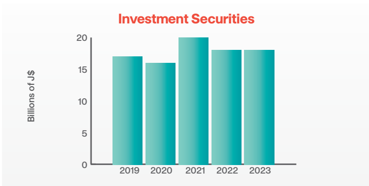
7-Year Statistical Review

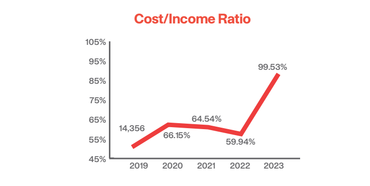
PROFITABILITY RATIOS/METRICS							
Net Interest Margin	1.44%	1.30%	1.18%	1.12%	1.32%	0.91%	0.18%
Net Profit Margin	35.83%	30.43%	35.54%	23.71%	23.71%	30.66%	10.56%
Return on Equity	16.49%	14.85%	16.85%	10.25%	12.24%	25.85%	6.08%
Return on Assets	1.90%	1.91%	2.55%	1.58%	1.46%	2.47%	0.68%
Cost/Income Ratio	51.59%	58.75%	52.37%	66.15%	64.54%	59.94%	99.53%
Effective Tax Rate	25.98%	26.24%	23.93%	27.60%	33.15%	23.46%	-14.74%
STOCK INFORMATION							
Earnings Per Share	$0.23	$0.27	$0.40	$0.29	$0.29	$0.48	$0.13
Closing Share Price as at December 31	$ 3.24	$3.82	$ 8.97	$5.90	$6.13	$4.02	$2.75
Price to Earnings Ratio	14.03	14.41	22.50	20.41	20.90	8.42	20.75
Book Value Per Share	$1.72	$1.85	$2.88	$2.76	$2.04	$1.66	$2.70
Price to Book Ratio	1.88	2.07	3.11	2.14	3.01	2.42	1.02
Dividends Per Share	$0.25	$0.14	$0.19	$0.03	$0.16	$0.00	$0.00
Dividends Paid	$380,867.00	$210,004.00	$285,005.00	$45,001.00	$232,504.00	$0.00	$0.00
Dividends Payout Ratio	109.98%	52.82%	47.66%	10.38%	52.84%	0.00%	0.00%
Capital Gains	32.24%	17.90%	134.82%	-34.23%	3.90%	-34.42%	-31.59%
BALANCE SHEET RATIOS							
Investments Securities as a % of Total Assets	58.22%	61.27%	66.01%	55.49%	65.97%	60.67%	61.94%
Repurchase Agreements as a % of Total Liabilities	75.30%	82.04%	80.95%	80.10%	70.51%	58.93%	56.39%
Capital to Assets Ratio	12.88%	12.83%	17.08%	14.02%	9.88%	8.60%	13.73%
OTHER STATISTICS							
JSE 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
JSE Index Annual Movement	49.98%	31.70%	34.26%	-22.42%	0.14%	-10.16%	-8.48%
Annual Inflation Rate	5.24%	2.44%	6.22%	5.20%	6.00%	9.40%	6.90%
Annual USD Foreign Exchange Rate	$128.36	$129.72	$134.22	$143.27	$151.62	$154.21	$154.99
Annual Real GDP Growth	1%	1.09%	0.90%	-10.00%	4.60%	3.80%	2.10%
Annual Unemployment Rate	11.64%	9.10%	7.72%	7.61%	8.36%	6.60%	4.20%

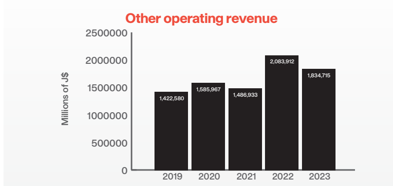
OUR BUSINESS

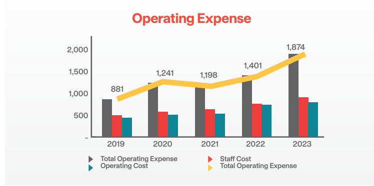
7-Year Statistical Review

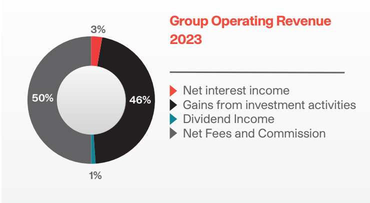


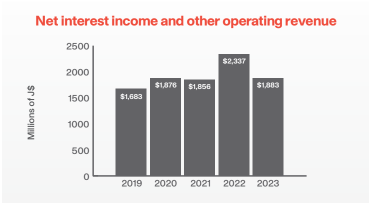


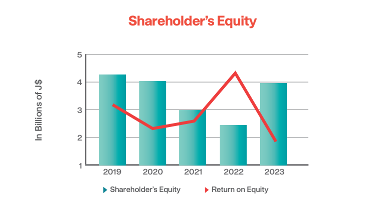


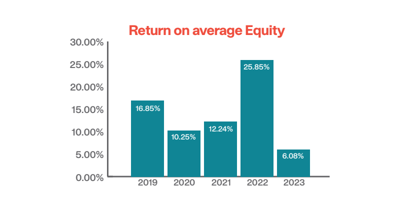


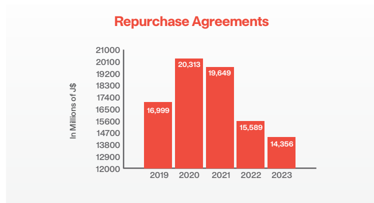


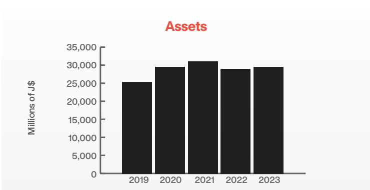


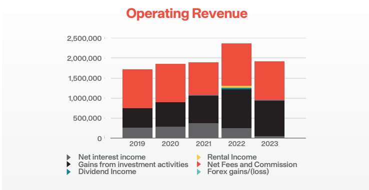


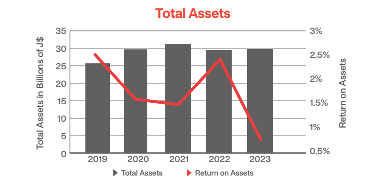


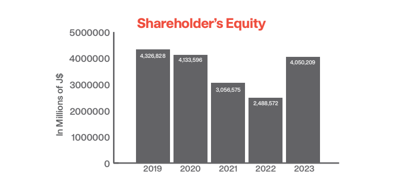


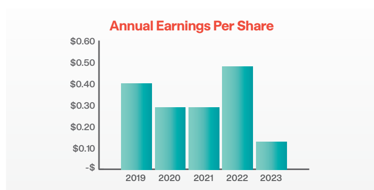


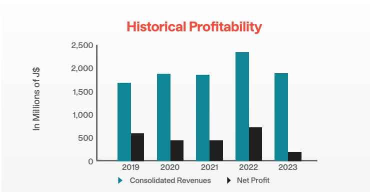


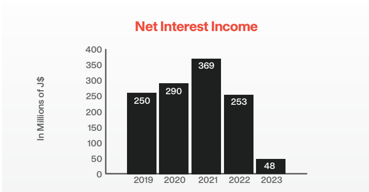


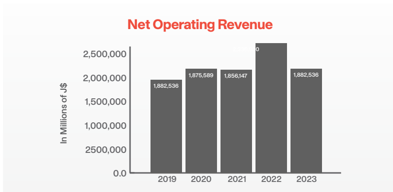












GOVERNANCE

Chairman's **Message**

Mr Michael McMorris
Chairman

On behalf of the Board of Directors of VM Investments Limited (VMIL), I am pleased to present the 2023 VMIL Annual Report.

In a year marked by continued economic uncertainty, the VM Investments team remained committed to purposefully executing the entity's robust strategic plan, and made commendable progress in growing and fortifying the business.

In 2023, VM Financial Group was incorporated as part of the historic reorganisation of Victoria Mutual, and became the financial holding company of VM Investments Limited and all other financial businesses of VM Group Limited. This change, which our shareholders overwhelmingly approved in 2022, has put VM Investments and all other VM Group subsidiaries in a better position to actively pursue growth opportunities. History will therefore record 2023 as a pivotal year for many great successes which are to come.

Economic Context

At the national level, VM Investments and other financial institutions in the sector contended with stubborn inflationary pressures, including sustained high interest rates (the Bank of Jamaica retained a 7% policy rate for 12 months) and the related malaise in the local stock market. The performance of other industries was varied with tourism and mining emerging as front runners for the year while construction lagged with a decline in output of 4.8 % by the 4th quarter. Additionally, the Jamaican dollar closed the year with a year-over-year depreciation of 1.87% relative to the US dollar.

Concurrently, the broad economy displayed noticeably positive trends in some key economic indicators, including gross domestic product (GDP) growth (estimated annual growth rate of 2.60%); international reserves (which closed 2023 at a record high of US$4.75 billion); and the unemployment rate (down

GOVERNANCE

Chairman's Message

CONTINUED

from 6.28% in 2022 to 4.38% by October 2023). The economic metrics in the other territories in which the VM Group operates - Barbados, United Kingdom, and Unites States of America – painted a similar picture of uneven performance outcomes with sustained high inflation and interest rates.

Bolstered by our new position within the restructured VM Group, yet tempered by the realities of a difficult economic climate, VM Investments was able to maintain forward momentum but at a pace commensurate with the industry-wide slowdown. Overall, profits attributable to shareholders decelerated to J$199 million or 13c per share from J$716 million or 48c per share in 2022. There were however some encouraging indicators. Interest Income grew by 7.8%, moving from $1.4 billion in 2022 to $1.5 billion and Total Assets increased by 1.95%, or from $$28.91 billion in 2022 to $29.50 billion in 2023. Capital to Total Assets of 13.73%, a Capital Adequacy ratio of 27.53%, as well as an Enterprise Risk Management score of 85% were other highlights. These results were realised through prudent, real-time reviews and interventions to our tactical agenda and we commend the VM Investments Leadership and Team for their sound and thoughtful approach to the task at hand.

Other noteworthy events that occurred in 2023 were:

VM Investments received a further endorsement from CariCRIS, the premier regional financial rating agency, which upgraded the business' credit rating to CariBBB.

VM Financial Group successfully raised $11 billion of which VM Wealth Management received a capital injection of $1.5 billion to further bolster its growth-focused activities.

VM Wealth made significant progress in completing its acquisition of RFI funds in Barbados and expects to be operational in another Caribbean country for the first time ever in Quarter 1 2024.

VM Investments was shortlisted for the Jamaica Stock Exchange's Best Practices of Corporate Governance Award. The company also received the 2nd Runner Up Award in the 'Member Dealers – Expansion of Investors & Listed Companies Base' category at the Awards. This recognition highlights success in bringing new investors into the market and attracting companies to list, including the historic Dolla Financial Services Limited Initial Public Offering, and the Kingston Properties Limited (KPREIT) Additional Public Offering. We expect to use these awards as a springboard for continuous improvement, solidifying VM Investments' position as a sector leader committed to responsible wealth management and ultimately, sustainable success.

Looking ahead to 2024

Ultimately the outcomes in 2023, while far from ideal, demonstrate the resilient nature of VM Investments' strategic plan as well as the commitment of the Directors, Leaders and Team Members to ensuring the best business results possible in bad as well as good times. In 2024, as determined by the Board of Directors, the activities of VMIL will focus heavily on retrenchment, diversifying and growing revenue sources and the introduction of more self-service options for our clients as requested. We expect that the progress achieved in 2023 will continue to set a firm grounding for our future success and the achievement of our objective: to consistently exceed our clients' and shareholders' expectations. We appreciate you!

VM Investments Limited's Directors are grateful to the dedicated Leaders and Team Members of the business for their purposeful work in guiding and empowering clients to achieve transformation. We also offer our sincere thanks to our Clients and Shareholders for their trust and loyalty. We are pleased to be your partner of choice to create, grow and sustain your wealth.

Mr Michael McMorris
Chairman

GOVERNANCE

Board of Directors

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.

GOVERNANCE

Board of Directors

CONTINUED

Mr Courtney Campbell, 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, Courtney 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.

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 VM Investments Limited (VMIL) and its subsidiary, VM Wealth Management (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 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).

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 includes serving on the PSOJ's Economic Policy Committee and as a member of the Jamaica Stock Exchange (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.

Board of Directors

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 all 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.

GOVERNANCE

Board of Directors

CONTINUED

Mrs Janice McKenley, FCCA, FCA, MBA(Dist) BSc (Hons.)
Group Chief Financial Officer

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, JP, 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

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 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, Phillip 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 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, Phillip enjoys woodworking and farming at home.

GOVERNANCE

Board of Directors

CONTINUED

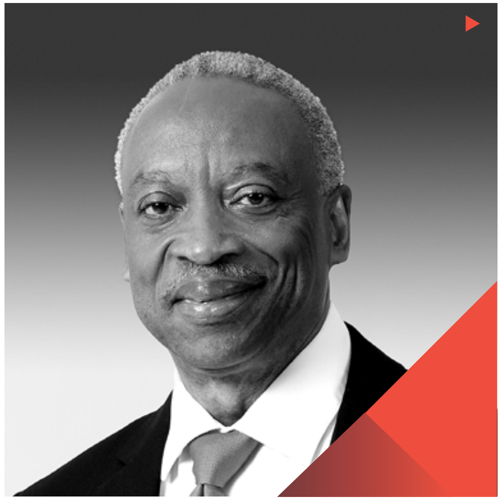
Mrs Sandra M. Shirley-Auxilly, MBA, BSc (Hons)

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, Mrs Shirely-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, Mrs Shirely-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.

Mrs Shirely-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, CreditInfo Jamaica Limited, Berger Paints Jamaica Limited, OMS Associates Limited and the Zed-Makeyla Group.

Mr Samuda is Chairman of Sabina Park Holdings, the Institute of Law and Economics, the National Dance Theatre Company (NDTC), Bresheh Limited and the Wolmer's Trust.

A member of the Finance & General Purposes Committee of the University of the West Indies, 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.

E.S.G.

Environmental, Social and Governance Report

ESG Report

VMIL upholds robust and efficient governance procedures to guarantee that its Board and Management effectively steer VMIL in the best interest of shareholders, customers, employees, regulators, and the communities with which we engage. The governance goals of VMIL are implemented transparently, guided by ethical principles endorsed by the Board and communicated to Management.

The Role of the Board of Directors:

The Board of Directors fulfilled its duties in 2023 with a dedication to upholding high governance standards aligned with our strategic objectives and risk tolerance, aiming to ensure compliance and sustained long-term value for the company. The Board deliberated on issues concerning all stakeholders, considering:

a. Understanding the evolving challenges and opportunities within the industry and the broader economy
b. Assessing the company's operations and associated risks
c. Enhancing and refining robust standards and principles guided by leading Corporate Governance practices to maintain business resilience
d. Exercising its authority in compliance with relevant laws, regulations, and the rules of the JSE, thereby enhancing shareholder value and aiding clients in achieving financial independence
e. Making a positive impact and contributing to communities through transparent financial statement certification, particularly regarding public disclosure matters

Board Oversight Responsibility:

The Board's Oversight Responsibilities encompass:

- Overseeing and guiding the implementation of the Strategic Plan, accompanying business plans and performance evaluation against critical business objectives, ensuring effective accountability and stewardship of VMIL

- Ensuring robust management accountability for VMIL's daily operations, supported by sound governance practices

- Evaluating VMIL's financial performance, compliance with relevant laws and regulations, and ensuring that internal controls are aligned with the Board-approved business risk tolerance, monitoring shifts in the operating environment to take appropriate measures

Directors' Commitment and Independence

The Chairman of the Board, Michael Andrew McMorris, serves as a Non-Executive Director, bringing vast experience from the financial sector and other industries. VMIL upholds a Board structure predominantly composed of Independent Directors, in line with robust corporate governance standards. Directors are chosen and proposed for Board membership based on their expertise and capabilities essential for guiding and implementing the Company's Strategic Plan.

A Director is deemed independent where s/he:

i. Is not and has not been an employee of the VM Group within the last three (3) years
ii. Is 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 before the Board
iii. Is able to act in the best interest of VMIL and its shareholders generally.

The Board of Directors is composed of 12 Directors, of whom 8 are Independent.

The Independent Directors are non-executives who do not perform any management duties. They hold Management to high standards of accountability. **They are:**

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

Board Composition

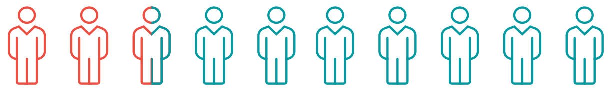
As of December 2023, there were 12 Directors on the Board. The Board and Board Committees are dedicated to enhancing Board effectiveness, ensuring independence, and upholding robust governance standards. We have made notable progress in achieving gender equity and equality at the Board level. The Corporate Governance, Nominations, and Compensation Committee continues its efforts to identify suitable candidates with the required expertise for the Board as part of succession planning. Our goal is to reach a 30% threshold of female directors, aligning with the S&P 500's standards, and over time, achieving a 50/50 composition.

Gender Diversity in Leadership

Regarding Gender Diversity in Leadership, as of December 31, 2023, our achievements in Diversity, Equity, and Inclusion include:

- A woman serving as the Chief Legal, Compliance & Risk Officer
- Three women on the VMIL Board
- 56% of our Senior Managers are women

Board Composition



25%
FEMALE

75%
MALE

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. **Their expertise encompasses:**

- **Industry knowledge in Finance/Banking**
- **Strategy Development and Execution**
- **Accounting and Auditing**
- **Risk Management**
- **Legal Affairs**
- **Mergers and Acquisitions**
- **Strategic Branding and Marketing**
- **International Management and Entrepreneurship**

Succession Planning at the Governance Level

At VMIL, succession planning is an ongoing process. We prioritise identifying and developing future leaders to ensure a seamless transition and maintain stability and continuity in our strategic direction and operations. This proactive approach allows us to cultivate a robust leadership and directorship pipeline, ready to guide the company forward and uphold our commitment to excellence and responsible wealth management.

Board Training

In March 2023, the Board of Directors undertook training, led by the team at PriceWaterhouse Coopers, titled '7 Steps to Digitally Transform your Organisation'. **The one-day online workshop covered 7 objectives:**

1. **Reimagining your place in the world**
2. **Embracing and creating value via ecosystems**
3. **Building a system of privileged insights**
4. **Making your organisation outcome-oriented**
5. **Inverting the focus of the leadership team**
6. **Reinventing the social contract**
7. **Disrupting the leadership approach**

All 12 directors, including executive and independent directors, attended the workshop.

ESG Report

CONTINUED

	Michael McMorris	Milton Samuda	Noel Hann	Phillip Silvera	Sandra Shirley-Auxilly	Matthew Wright	Courtney Campbell	Rezworth Burchenson	Bridget Lewis	Devon Barrett	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	Devon Barrett	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

CONTINUED

Directors' Compensation

In order to achieve our strategic objectives, we require visionary, experienced, and passionate Directors to provide effective guidance and oversight to management. The Corporate Governance, Nominations and Compensation Committee is responsible for reviewing the compensation philosophy for the Company and approving changes to the compensation structure, where necessary.

VMIL compensates its Directors fairly and responsibly in alignment with its strategy and competitively in line with other listed companies on the JSE's Main Market. For the financial year, a total of $27,312,000 was paid to directors of VMIL, an increase of 4.1% over the previous year's figure of $26,226,000. The increase in fees resulted from an increased number of meetings as directors are paid a retainer and a per-meeting fee.

Regulatory Compliance

The Enterprise Risk Management (ERM) Framework is crucial 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, with support from the Group Chief Legal, Compliance, and Risk Officer. This includes maintaining regular and transparent communication with regulators, responding promptly to regulatory requests, reviewing and evaluating proposed regulatory changes to assess their impact on the company, and making appropriate recommendations.

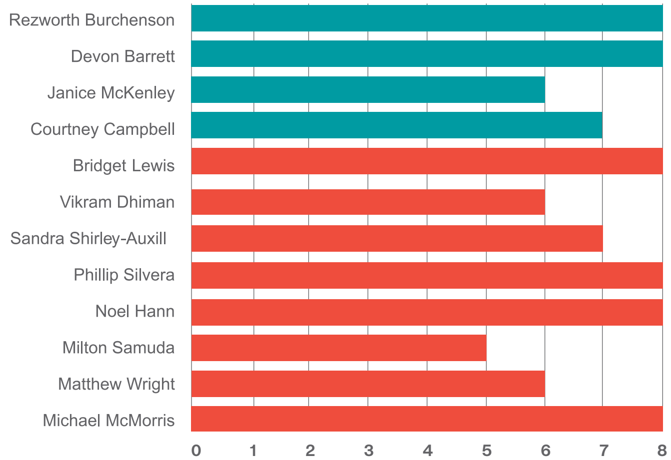
Board Meetings & Attendance

During 2023, the Board held 8 meetings to review and direct the Company' strategic execution and performance. This included the attendance of Executive Management in keeping with accountability standards.

INDEPENDENT DIRECTORS	NO. OF MEETINGS ATTENDED
Michael McMorris	8
Matthew Wright	6
Milton Samuda	5
Noel Hann	8
Phillip Silvera	8
Sandra Shirley-Auxilly	7
Vikram Dhiman	6
Bridget Lewis	8

EXECUTIVE DIRECTORS	NO. OF MEETINGS ATTENDED
Courtney Campbell	7
Janice McKenley	6
Devon Barrett	8
Rezworth Burchenson	8

Directors' Meeting Attendance Record



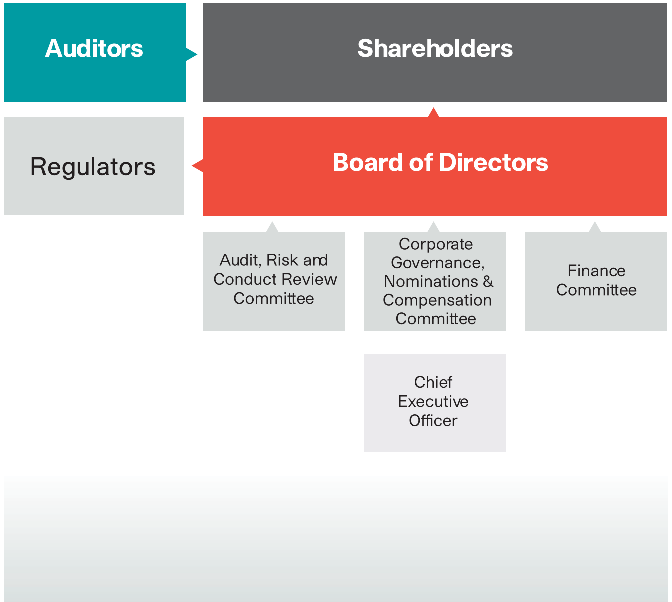
Board Evaluation and Performance Improvement

The Board assesses its performance annually with external input being sought periodically. These measures are considered vital in helping the Board safeguard its independence and efficacy in the discharge of its responsibilities.

Board Evaluation is conducted by an independent consultant. The Performance Management Framework, which is in place, is also used to identify gaps and guide performance improvement.

In November 2023, the Board conducted a performance self-evaluation to assess its continued effectiveness. The evaluation instrument was administered by Trevor Little, Executive Chairman of the Centre for Leadership Development Jamaica Limited. The survey was a combination of pointed and open-ended questions, with the opportunity to provide specific observations and recommendations. The results of the survey were discussed at the Corporate Governance, Nominations and Compensation Committee and recommendations adopted.

Board Reporting Structure



The Board of Directors has primary responsibility for providing strategic direction and general oversight of the management of VMIL's business and affairs. In keeping with sound Corporate Governance best practice, the Board has appointed 3 committees to ensure effective oversight and governance. **The Committees are:**

1. Audit, Risk & Conduct Review Committee
2. Corporate Governance & Nominations 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, outlining its role, responsibilities, and objectives, with the Board's approval. Both the Board and Board Committees have unrestricted access to VMIL's management, enabling timely access to information for addressing issues requiring Board deliberation.

Corporate Governance, Nominations and Compensation Committe

This Committee is tasked with upholding an effective Corporate Governance Framework, maintaining high levels of accountability to shareholders and stakeholders, implementing robust succession plans at both the Board and Senior Management levels, overseeing the ESG framework, and managing Corporate Social Responsibility (CSR) initiatives.

During 2023, the Committee ensured the approval or update of the following Policies to guide the Company:

- **Corporate Governance**
- **Environmental policies**
- **Stakeholder Engagement guidelines**
- **Trading in Securities policies for monitoring insider trading and general securities trading**
- **Diversity, Equity, and Inclusion measures**
- **Code of Business Ethics and Conduct standards**

The Committee also reviewed the Board Evaluation, assessed the skills matrix for the Succession Planning Framework at both Board and Management levels, and addressed transparency and disclosure requirements.

The Committee oversaw Investor Relations and CSR monitoring and reporting, engaging external consultants for the board evaluation process to continually improve the company's corporate governance function.

Additionally, the Committee focused on enhancing the Board's effectiveness through training sessions facilitated by a PriceWaterhouse Coopers, with a specific focus on '7 Steps to Digitally Transform your Organization'. All Board Members actively participated in these sessions as part of their commitment to staying updated on best practices and operating at an advanced level.

ESG Report

CONTINUED

CORPORATE GOVERNANCE, NOMINATIONS and COMPENSATION COMMITTEE/ NUMBER OF MEETINGS - 5

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

Audit, Risk & Conduct Review Committee

This Committee aids the VMIL Board 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 internal controls' effectiveness and the Company's overall management. The Internal Auditor and Audit Function 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 serves as a critical tool for managing risks and potential exposures that could adversely affect the Company. The Committee plays a crucial role in ensuring that the ERM Framework adequately supports the Company, 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.

AUDIT, RISK & CONDUCT REVIEW COMMITTEE/ NUMBER OF MEETINGS – 10

Phillip Silvera (Chairman)	Non-Executive 10
Sandra Shirley	Non-Executive 10
Noel Hann	Non-Executive 10
*Vikram Dhiman	Non-Executive 3/3 appointed May 12, 2023

Finance Committee

The Finance Committee's duties include ensuring that the Company's capital is effectively deployed and managed to meet growth targets while mitigating associated risks and maintaining capital adequacy indicators. They assess investment opportunities while adhering to the Board-approved risk appetite of the Company and approve relevant policies to guide the Company's financial direction towards resilience.

The Committee fulfilled its responsibilities during the period by:

- Approving transactions related to capital activities for financing the business's strategic objectives
- Approving investments and credit matters
- Reviewing brokerage and arranger transactions as part of overseeing the Company's subsidiary
- Reviewing and approving transactions to align with VMIL's business growth targets
- Directing capital management plans and activities in its oversight role, along with reviewing and approving policies for capital and liquidity management

FINANCE COMMITTEE/ NUMBER OF MEETINGS – 10

Michael McMorris (Chairman)	Non-Executive 10
Phillip Silvera	Non-Executive 10
Matthew Wright	Non-Executive 10
Noel Hann	Non-Executive 10

Directors' Code of Business Conduct and Ethics

The Code of Business Conduct and Ethics 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. The company has 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 respectable business partner but also provide clear guidelines for directors, employees, and agents to follow in line with best practices. **Additionally, the codes include general guidelines covering:**

- **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**
- **Whistleblowing**

Whistleblower Policy

The Whistleblower Policy serves to uphold the integrity of the VM Group and to support adherence to the Code of Business Ethics and Conduct. It provides an additional layer of anonymity or confidentiality for reporting legitimate issues or concerns, ensuring the protection of team members and the organisation. Team members are encouraged to report any perceived violations of company policies, laws, rules, or regulations without fear of retaliation.

VM Group has opted for an independent external service provider for investigation purposes to maintain separation of responsibilities and ensure confidentiality. The organisation is committed to protecting and supporting those who report concerns, ensuring that reports undergo appropriate investigation and resolution through an efficient process.

Diversity, Equity & Inclusion

VMIL fosters an inclusive environment that promotes diversity to ensure that all stakeholders within the VMIL community feel respected, valued, and included. We continue to nurture this standard by implementing policies to provide structured operational guidelines.

The groundbreaking VM Group Diversity Policy underscores our dedication to establishing and maintaining a diverse and inclusive organisation. This Policy reinforces VM Group's enduring commitment to nurturing a diverse and inclusive workforce, leveraging the unique attributes and backgrounds of all team members.

The Policy promotes:

- A culture that embraces diversity, equity, and inclusion, respecting the individuality of team members and supporting diverse perspectives
- A workplace with a zero-tolerance policy towards discrimination, harassment, and intimidation, ensuring a safe and trusting environment where violators are held accountable for their actions
- A work ethos and workforce embodying values such as respect, integrity, equality, creativity, inclusivity, flexibility, and resilience
- A culture that raises awareness about the significance of diversity, equity, and inclusion in the workplace

ESG Report

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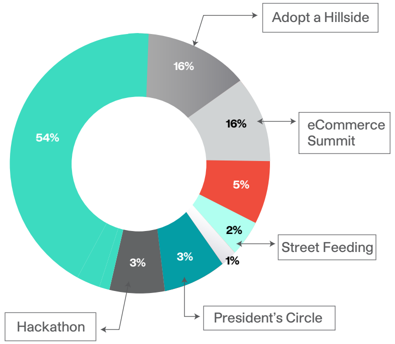
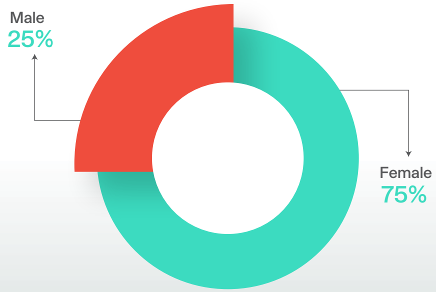
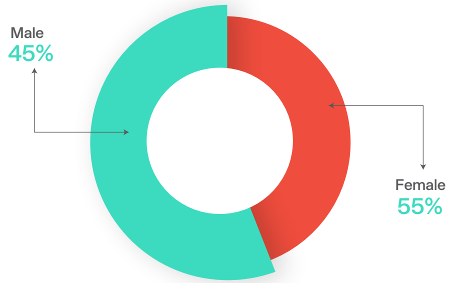
Donation Amount



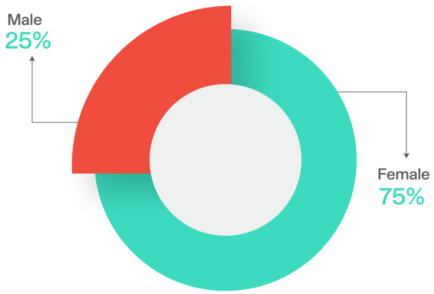
VMIL Directors' Gender Diversity



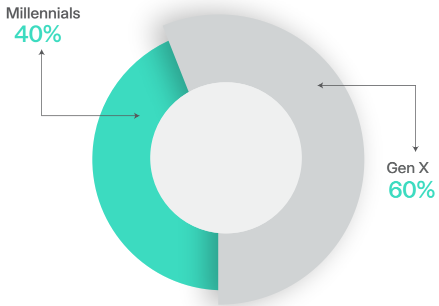
VMIL Leadership Gender Diversity



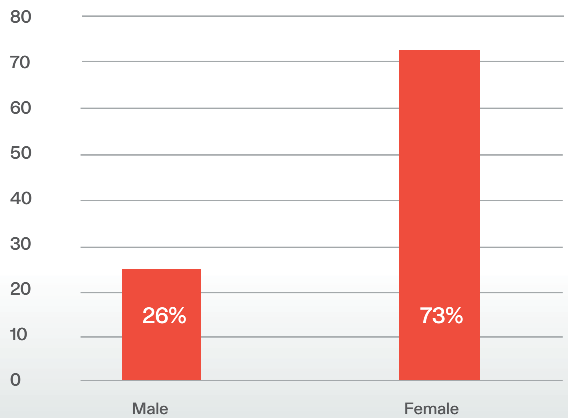
VMIL Directors' Gender Diversity



VMIL Leadership Age Diversity

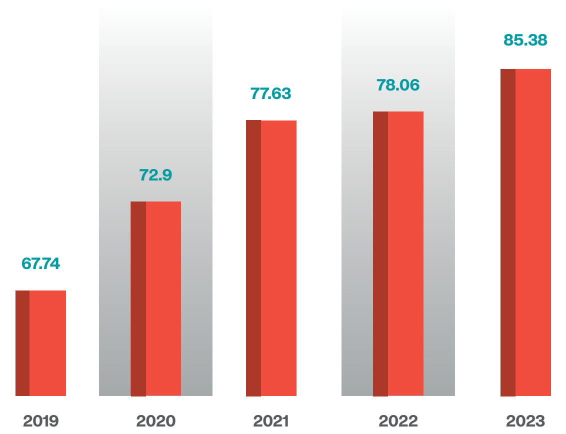


VMIL Gender Diversity



ESG REPORT

Corporate Governance Index Score



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At VMIL, a strong culture of corporate governance is central to our operations. 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.

Environmental, Social and Governance (ESG) Policy

The current environment demands that our organisation carefully and deliberately embeds sustainability in all aspects of our operations. The ESG policy reflects the continued growth and maturity of the business, as we recognise the evolution of the landscape and adapt accordingly.

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

ESG REPORT

Corporate Social Responsibility

Introduction

The Social pillar of 'ESG', is at the core of what we do at VMIL. Since its establishment in 1878, the VM Group, has been uplifting people and communities by making homeownership accessible to more Jamaicans. VMIL has extended this responsibility as the investment arm of the VM Group. Our 6 pillars of social responsibility are consistent with those of the VM Foundation, through which our philanthropic efforts are executed. These are:

1. Health & Family
2. Leadership & Nation Building
3. Youth Empowerment
4. Financial Literacy
5. Environment
6. Maintaining & Promoting Integrity & Ethics in Business

Environmental Performance

VMIL is dedicated to fostering a sustainable and responsible business approach through comprehensive environmental policies and strategies. Our Environmental Policy outlines our pledge to minimise our ecological footprint and contribute positively to the environment.

In alignment with our commitment to environmental stewardship, our Occupational Safety and Health Policy ensures the well-being of our employees by fostering a safe and healthy work environment. This extends to our Remote Work and Flexi-Work Arrangements Guidelines, emphasising the importance of maintaining occupational safety standards irrespective of the work location.

Our dedication to Diversity, Equity, and Inclusion (DEI) is embedded in our policies to promote a workplace that values differences, encourages equal opportunities, and champions a culture of inclusivity. Our DEI Policy emphasises a workplace with zero tolerance for discrimination, harassment and intimidation.

Our Electronic Communication Policy not only reflects our commitment to reducing paper consumption but also underscores our efforts to minimise environmental impact. This policy guides responsible usage, ensuring that our electronic communication practices align with our sustainability goals.

Our Code of Business Ethics and Conduct underscores the importance of ethical decision-making, emphasising honesty, integrity, and accountability. By adhering to these principles, we ensure that our business practices align with our environmental commitments and foster trust with our stakeholders.

The Corporate Social Responsibility (CSR) Policy serves as a roadmap for our philanthropic efforts and community engagement. It outlines our initiatives to positively impact communities, promote education, and address social challenges, thereby contributing to a sustainable and equitable society.

Lastly, our Stakeholder Engagement Policy underscores our commitment to open communication with our diverse stakeholders, including employees, customers, investors, and the wider community.

Green Business JAMAICA

Together, these policies and strategies reflect our approach to environmental responsibility, embedding sustainability into the core of our business operations and fostering a culture of ethical, inclusive, and environmentally conscious practices.

We are also proud to highlight energy consumption and efficiency as part of our commitment to reducing our environmental impact and setting an example for others in the industry. From automating lights and climate control to harnessing the power of the sun, VMIL is committed to comprehensive energy efficiency measures.

Occupancy-sensor lighting and intelligent HVAC systems that power down after hours have resulted in a large reduction in electricity consumption. Our investment in solar panels generates power for our office's electricity needs, contributing to a significant decrease in greenhouse gas emissions. Additionally, embracing digital solutions such as J-trader and online client portals has led to a reduction in paper usage, saving valuable resources and minimising waste, as approximately 88% of transactions have migrated to the J-Trader and client portal registration platforms.

ESG REPORT

Corporate Social Responsibility

CONTINUED

We are honoured to have received recognition from the National Environment and Planning Agency (NEPA), with a Gold Award for Environmental Awareness and Training, and a Silver Award for Energy Efficiency in Waste Management, Water Efficiency, and Chemical Management.

This acknowledgment covers the period March 2023 to February 2024, signifying our commitment to sustainable practices and environmental stewardship. Earning the title of a 'Green Business in Jamaica' is testament to our dedication to greening our operations one step at a time. This recognition underscores our ongoing journey towards a greener and more sustainable business landscape in Jamaica.

Empowering Change: Our dedicated plastics recycling cage at our New Kingston location stands as a beacon of environmental responsibility. Together, we're transforming used plastics into a sustainable future.

VMIL also actively engages in afforestation through the 'Adopt a Hillside Tree Planting Programme' in collaboration with the Forestry Department. In 2023, VMIL planted 160 Wild Tamarind seedlings, bringing the total number of seedlings to an impressive 950, including Rodwood, Spanish Elm, and Wild Tamarind species. This afforestation initiative not only addresses climate change concerns and enhances biodiversity but also fosters community engagement.

CSR Strategy and Approach

Our commitment to CSR influences our decision-making processes, strategic planning, and day-to-day activities. We embed CSR principles into our business model, ensuring that social and environmental considerations are integral to our core objectives. This way, we not only contribute to the well-being of the communities we serve but also enhance our long-term sustainability.

Social Impact

Ayedin Learns Investment Children's Book

VMIL, in collaboration with VM Wealth Management, proudly launched the 'Ayedin Learns Investment' book as part of the Ayedin Learn Series, aiming to nurture crucial financial literacy skills in children. The book, featuring Ayedin exploring investment concepts with his grandmother, was introduced to the public via a Reading Circle event and is envisioned to be essential reading for early childhood education on investments. As part of our commitment to community development and youth empowerment through financial education, VMIL initiated a pilot programme with readings at schools, including Portmore Missionary Preparatory and Belmont Park Primary, reaching a total of 95 children aged 8-9.

Community Engagement

Kingston Beta Collaboration

The 2023 partnership between VMIL and Kingston Beta culminated in the successful event titled 'Tech Trends Reshaping the Future of Caribbean Money' on November 2, 2023. The event garnered substantial participation with a total of 153 attendees, including key players in the tech industry. VMIL sponsored the event, contributing to the success of the gathering. Throughout the partnership, VMIL's commitment was further demonstrated with an article published, contributing valuable insights to the discourse, and a speaking engagement on 'Scaling Up Your Business' delivered by Gwelodine Ricketts, Manager of Corporate Finance. These collaborative initiatives underscore VMIL's dedication to supporting and advancing discussions within the tech industry, solidifying our commitment to innovation and partnership.

Employee Well-being

ESG REPORT

Corporate **Social Responsibility**

CONTINUED

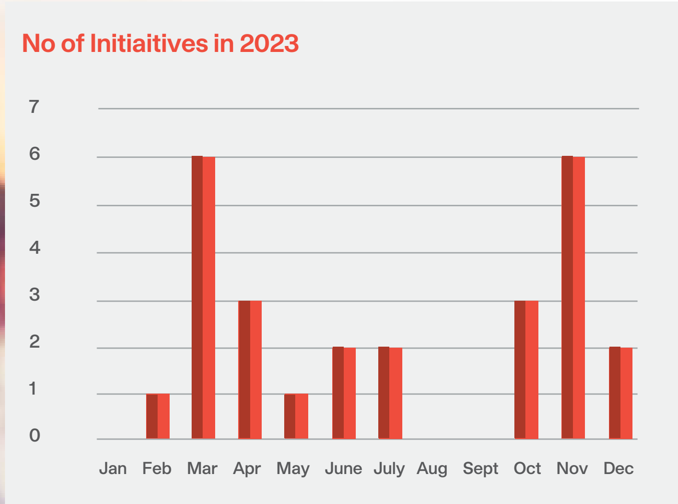
Partnerships and Collaborations

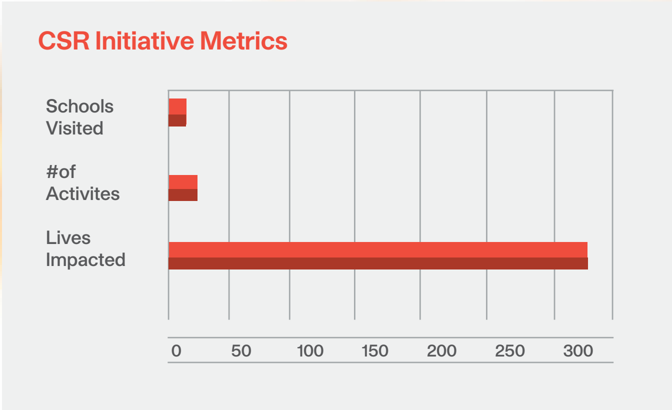
We believe we can make a greater impact on society, the environment, and in the communities we serve by forging alliances. By working together with like-minded organisations, we leverage collective strengths to address complex challenges and drive positive change. These collaborations extend across domains, from fostering innovation and knowledge exchange to promoting sustainable practices and social initiatives.

Our commitment to building strategic partnerships reflects our belief in the shared responsibility of creating a better and more sustainable future. Through these collaborative efforts, we aim to amplify our impact, contribute to positive societal outcomes, and build a network that strengthens our collective ability to make a meaningful difference.

Partnerships and Collaborations

Key metrics and KPIs reflecting the impact of CSR initiatives.





ESG REPORT

Stakeholder Engagement Report

Annual General Meeting

On June 9, 2023, VMIL held its 6th Annual General Meeting via live stream where shareholders had the opportunity to vote on resolutions. Questions, queries and comments were directly addressed during the meeting as well as through our online chat.

Website Updates

As part of our efforts to enhance the aesthetics and intuitiveness of our website as well as to allow for greater communication and transparency, the following changes were made and/or maintained:

- Updating of Investor Relations page
- VMIL news and other articles added to News Page
- Board attendance record updated to 'About' page
- Executive & Independent Directors distinguished on Board page
- Policies added
- Digital Access Points updated
- Corporate Governance landing page added
- Creation of Financial Calendar

CariCRIS Rating Upgraded

Regional rating agency, Caribbean Information and Credit Rating Services Limited (CariCRIS), has upgraded VMIL's overall creditworthiness ratings to:

CariBBB (Regional Scale Local Currency)

jmBBB+ (Jamaica National Scale Foreign Currency)

jmA- (Jamaica National Scale Local Currency)

The rating agency noted a number of strengths to VMIL's creditworthiness, which it described as 'Adequate,' including expected benefits from its investment in Kingston Properties (KPREIT), improvement in the credit risk profile of VMIL's parent company, VM Financial Group Limited (VMFG) and implied support therefrom and an improvement in Jamaica's sovereign risk profile. While also maintaining a 'Stable' outlook on the ratings, CariCRIS stated that it expects VMIL to remain profitable and adequately capitalised over the next 12 to 15 months.

The agency cited VMIL's growing presence in the Jamaican financial services sector supported by its parent, VMFG; continued profitability and maintenance of good capitalisation levels, underpinned by its growing tangible net worth. Also supporting its assessment of 'Good' business risk was VMIL's regional expansion, with its acquisition of Republic Funds Incorporated (RFI) in Barbados, as well as VMIL's comprehensive ERM framework, which incorporates guidance from the Committee of Sponsoring Organizations (COSO) of the Treadway Commission's revised 2017 ERM framework. CariCRIS also gave VMIL's Management Risk a 'Strong' rating, based on its robust governance structure led by its well-qualified Board and Senior Management team.

ESG REPORT

Our Policies, Frameworks & Guidelines

Corporate Governance Policy

VMIL recognises the need to adhere to best practices in corporate governance. Sound corporate governance policies and practices are important to customers, shareholders and all stakeholders. VMIL is a member of the VM Group and observes the standards established by the Group.

The principles set forth in this Policy are geared towards ensuring the ability of the Board of Directors to effectively supervise the strategic direction and operations of VMIL

Stakeholder Engagement Policy

Communication with stakeholders isn't confined only to the proxy season. The business and the people it serves benefit more from year-round communication. A robust and current Stakeholder Engagement Policy (SEP) is therefore a critical component of VMIL's Communications Policy.

VMIL is committed to implementing appropriate management strategies and processes that will identify and manage engagement with its stakeholders. Stakeholder Engagement continues to be an important consideration for companies in communicating their long-term strategy to, and deepening relationships with, their stakeholders, and boards are becoming ever more involved in the process.

Dividend Policy

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

The purpose of the Dividend policy is to guide the frequency and value of dividend payments to ordinary shareholders. The policy shall accordingly be employed in determining any claim by any shareholder, individual or institution, regarding the dividend payable, subject to any provisions in the Articles of Association.

Business Continuity Plan (BCP)

The purpose of this Plan is to assist in ensuring that the time-sensitive business processes performed by VMIL are restored efficiently in the event of a disaster. The intention of the plan is to complement, not to replace, emergency and security procedures that already exist.

The BCP outlines responses needed in specific scenarios, and indicates the minimum resources required to ensure the continuity of key business functions in the event of business disruptions. Testing is done to determine the adequacy and effectiveness of contingency planning, and the timeliness of restoration procedures. This is done through regular limited scope testing and annual comprehensive testing. This may be done more frequently if the business determines it is appropriate.

Anti-Money Laundering / Countering Financing of Terrorism / Countering Financing of Proliferation Policy

VMIL is committed to examining its 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 its policies, procedures, and controls. These assist the organisation with preventing and detecting terrorist financing, money laundering or other illegal activities in its business relationships with its clients.

The objectives of the Policy are:

i. To prevent, detect and report money laundering and terrorist financing activities in the operations
ii. To ensure compliance with all applicable legislation, regulations and guidelines issued by the authorities
iii. To engender the best practices in the areas of AML and CFT
iv. To ensure adequate systems are in place to identify and monitor the activities of 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 embed 'Know Your Customer' standards as a cornerstone principle which will result in best practices
vii. To ensure annual independent audit of AML/ CFT policies and procedures
viii. To ensure that VMIL complies with regulatory reporting obligations

Enterprise Risk Management (ERM) 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.

VMIL is mindful of these challenges and will adapt to change by integrating enterprise risk management practices, improving decision-making in governance, strategy, objective setting, and day-to-day operations. This enhances performance by more closely linking strategy and business objectives risks, providing a clear path to creating, preserving, and realising value for the Group.

The purpose of the policy is to establish a formal, systematic, integrated, principle-based approach to identifying, managing, and monitoring risks across VMIL. 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.

Securities Trading Policy

The policy is authorised by obligations and restrictions under The Securities Act, The Jamaica Stock Exchange Rules, best practices, and other applicable directives. It sets out the standards applicable to ethical conduct in relation to personal securities transactions, intending to prevent directors, officers and employees from engaging in activities that may constitute insider trading, fraudulent acts and/or manipulative acts with respect to accounts managed by VM Group and/or investment advice provided to clients.

The policy defines insider trading and price sensitive information among others. It outlines restrictions on trading activities for Traders within other VM subsidiaries along with the consequences for non-compliance. 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. Semi-annual disclosure of personal trading activities
iv. Annual certification of trades and securities holdings
v. Trade reviews and quarterly reporting to the relevant Board Committees

Remote Work & Flexi-Work Arrangements Guidelines

The Remote and Flexible Work Arrangement Programme was introduced in 2018 as part of the Great Place to Work Initiative and Employer of Choice Strategic Objective. The Remote Work and Flexible Work Arrangement Programme allows team members to be scheduled to work remotely or to adjust start and finish time while delivering defined objectives that are measurable within an agreed time.

Remote work is a working style that allows 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.

Electronic Communication Policy

This policy defines appropriate use of electronic communication (e-mail) as part of the corporate governance framework and establishes principles, rules, and procedures.

The policy dictates:

- Ownership of Email accounts
- Allowable and restricted usage
- Sensitive Information
- Data encryption
- Enforcement Actions

Information Security Policy

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

1. Adequate protection for all information systems and corporate data, whether held centrally or remotely, online and on external storage media
2. Continued availability of data and programmes to all authorised members of staff in accordance with established Service Level Agreements, best IT practices and imposed compliance standards
3. Integrity and privacy of all data and information systems as intended for business use

ESG REPORT

Our Policies, Frameworks & Guidelines

CONTINUED

Benefits:

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

Occupational Safety and Health Policy

This policy outlines VM Group's commitment to providing a safe and healthy work environment. VMIL ensures that Executives, Managers, Supervisors and designated Team Members receive training in Occupational Safety and Health Management, Disaster Management & First Aid, at a minimum every 3 years, while holding these persons accountable for ensuring that those under their supervision comply with standards, rules, regulations, procedures and policies.

Capital & Liquidity Management Policy

This policy sets out the guidelines that the business shall have in place and apply within its Capital and Liquidity Management Programme, as well as the criteria it shall use to ensure that it has adequate capital and effective plans to prudently manage its capital and liquidity requirements.

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 the risk profile, the choice of capital raising strategies, and aspects relating to the quality and composition of capital.

Related Party Investment Policy

This policy provides guidelines for investment transactions within the VM Group and between its related parties. This is also in agreement with VM Group's commitment to adhere to the highest principles of good governance, integrity, accountability and transparency in its 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 legislations and limits.

Fraud Policy

This policy provides guidance on the detection, prevention and investigation of fraud committed against the VM Group. It is the intention of the VM Group to promote consistent organisational behaviour by providing guidelines and assigning responsibility for the development of controls, accountability and for conducting investigations. The VM Group has zero tolerance for fraud.

If you are interested in obtaining more information on these other VMIL Policies, please feel free to visit our website.

Policies Available on our website are:

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

ESG REPORT

ESG Disclosures

The tables reflect VMIL's disclosures relating to ESG factors, with reference to our Organisational Profile, Strategy, Ethics, Governance and Reporting Practice.

In September 2023, the VM Group updated its ESG Policy in keeping with 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	Stakeholder Engagement Employee Engagement VMIL Annual Report
External Initiatives	Stakeholder Engagement Corporate Social Responsibility 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
VMIL Strategy	Chairman's Report Chief Executive Officer's Report Strategy Section – VMIL Annual Report

Ethics and Integrity

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

Stakeholder Engagement

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

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
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 VMWM Leadership Team

Reporting Practice

Description of ESG Disclosure	Cross-Reference or Answer
Entities included in the consolidated financial statements	VMIL Annual Report
Defining report content and topic boundaries	Executive Summary
List of material topics	Governance and Ethics Group Human Resources, Engaging Our People Environment Stakeholder Engagement
Restatements of information	January 1 - December 31, 2022 & January 1 - December 31, 2021
Reporting period	January 1 - December 31, 2023
Date of most recent report	December 31, 2023
Reporting cycle	January 1 - December 31, 2023

GOVERNANCE

Shareholdings

Shareholdings for Top Ten Largest Shareholders for VM Investments Ltd as at December 31, 2023

RANK	NAME	TOTAL SHARES HELD As at December 31, 2023	% OWNERSHIP
1	VM Financial Group Limited	1,200,020,000	80
2	PAM – University Hospital Scheme of Pensions	7,560,600	0.5
3	Rezworth Burchenson & Valerie Burchenson	6,400,330	0.43
4	Sagicor Select Funds Limited (Class B' Shares) Financial	6,135,970	0.41
5	JCSD Trustee Services Limited A/C Barita Unit Trust Capital Growth Fund	5,478,945	0.37
6	Michael McMorris & Christine McMorris	5,055,667	0.34
7	VM Wealth Equity Fund	4,791,347	0.32
8	Rickardo Ebanks & Alda Ebanks	4,537,221	0.30
9	Geoffrey Forde	4,500,000	0.30
10	PAM – Pooled Equity Fund	3,673,648	0.24
TOTAL		1,248,153,728	83.21

Shareholdings for VM Investments Limited Senior Managers / Connected Parties as at December 31, 2023

NAME	SHAREHOLDINGS As at December 31, 2023
Valerie Burchenson / Rezworth Burchenson Rachelle Burchenson / Rezworth Burchenson Rezworth Burchenson / Valerie Burchenson Oswald Burchenson / Rezworth Burchenson	249,952 75,000 6,400,330 212,147
Combined Holdings:	6,937,429
Nicole Adamson / Johann Adamson	379,000
Denise Marshall-Miller / Ajani Miller Denise Marshall-Miller / Wayne Miller Denise Marshall-Miller / Azania Miller Denise Marshall-Miller / Akil Parchment	25,000 850,000 25,000 0
Combined Holdings:	900,000
Evette M. Bryan / Shulette Cox	212,000
Jason Bailey	0
Dwight Jackson	0
Brian Frazer	0
Gwelodine Ricketts / Jean Ricketts / Audrea Ricketts Gwelodine Ricketts / Jean Ricketts Gwelodine Ricketts	21,300 8,572 4,021
Combined Holdings:	33,893

Shareholdings for VM Investments Limited Directors / Connected Parties as at December 31, 2023

NAME	SHAREHOLDINGS As at December 31, 2023
Rezworth Burchenson / Valerie Burchenson / Rachelle Burchenson / Oswald Burchenson	6,937,429
Michael McMorris / Christine McMorris	5,055,667
Courtney Campbell / Pauline Campbell / Dominic Campbell/Adrian Campbell	1,840,826
Janice McKenley / Wilfred McKenzie	1,045,475
Matthew Gray Wright	677,252
Sandra Shirley-Auxilly	413,809
Phillip Silvera / Faye Silvera	372,816
Noel Hann	150,000
Milton Samuda	103,646
Devon Barrett	101,169
Vikram Dhiman	0
Bridget Lewis	0

REPORT ON 2023

Chief Executive Officer's **Report**

I am delighted to share VMIL's Annual Report for the financial year ending December 31, 2023. The difficult macro-economic environment negatively impacted our portfolios and ultimately impacted the company's financial performance. Nonetheless, the results indicate our team's agility in the face of the challenging external conditions, while highlighting the areas for improvement.

Rez Burchenson
Chief Executive Officer

REPORT ON 2023

Chief Executive Officer's **Report**

CONTINUED

Despite a general deceleration in the pace of price increases, both in the international and local economies, elevated inflation persisted. Consequently, interest rates remained high, leading to a decline in existing bond prices and a preference among investors for the attractive returns offered by short-term fixed income instruments. VMIL was negatively impacted by the bond sell-off, due to our slow pace of balance sheet 'de-risking'. While we cannot alter the past, we are reassessing our strategies to mitigate potential future losses.

In 2023, we directed a great portion of our efforts to developing a robust business development pipeline, which should be fully rolled out in a few months. This pipeline includes, but is not limited to, structured notes, measures to improve investment and fund management performance and the addition of non-traditional funds to our portfolio. Our achievements from our strategic initiatives for 2023 include:

CariCRIS Credit Rating Upgrade

Caribbean Information and Credit Rating Services Limited (CariCRIS) upgraded VMIL's overall creditworthiness ratings to 'CariBBB' on the regional scale, 'jmBBB+' on the Jamaica National Foreign Currency Scale, and 'jmA-' on the Local Currency Scale. The upgrade takes into account the anticipated benefits from VMIL's investment in Kingston Properties (KPREIT), an enhancement in the credit risk profile of VMIL's parent company, VM Financial Group Limited (VMFG) and positive changes in Jamaica's sovereign risk profile. Maintaining a 'Stable' outlook on the ratings, CariCRIS anticipates that VMIL will sustain profitability and uphold satisfactory capitalisation over the upcoming 12 - 15 months.

Regional Expansion

VMIL entered into a definitive agreement to acquire 100% of the issued and authorised common shares in Republic Funds (Barbados) Incorporated (RFI) in 2021. Through numerous rounds of regulatory approvals, VMIL ended 2023 with 90% of the acquisition completed and onboarded Sean Yearwood, the new Country Head of VMWM in Barbados. However, following final approval from the FSC Barbados, the acquisition is now 100% as of January 2024 completed and RFI as well as its Mutual Funds have been renamed. RFI is now the 'VM Wealth Funds Limited', which consists of the VM Wealth Capital, Income and Property Funds.

Capital Raise for our Parent Company

VMIL successfully brokered and managed an $11 billion preference share raise for VMFG through private placement from accredited investors. This initiative led to the listing of three tranches of preference shares on the JSE's Private Market in July 2023. The oversubscription of the offer reflects investors' confidence in the sustained growth of the VM Group, aided by the effective efforts of VMIL's Corporate Finance Team and the appeal of the attractive double-digit interest rates provided. Following this, the Board of Directors at VM Wealth Management Limited gave the green light for the allocation of the raised capital. The aim is to strengthen our capacity for generating revenue and increase the Capital Adequacy Ratio from the existing 18% to 24%, exceeding the regulatory requirement of 10%.

Digital Advancements

We onboarded new talent in 2023, which strengthened our digital agenda and enabled us to meet our strategic goals. We targeted workflow optimisation and automation, automation of account reconciliations, website enhancement and completed phase two of our client management system (CMS) software. We have yielded increased productivity and efficiency from our initiatives and there will be continued improvements.

Strengthened our Environmental, Social, and Corporate Governance (ESG) Initiative

VMIL received the Green Business Jamaica Certification from the National Environment and Planning Agency (NEPA). This recognition is valid for a year and aligns with our ongoing Environmental, Social, and Governance (ESG) commitment. The Green Business Jamaica Certification acknowledges our efforts in reducing our carbon footprint and adopting more environmentally sustainable practices. We remain committed to collaborating with NEPA to continually enhance and uphold environmental standards, ensuring a sustainable future. Additionally, with the possible introduction of green and blue floating facilities, this certification and our Corporate Finance solutions will position VMIL as an ideal arranger of the new facilities.

JSE Awards

We also secured the 2nd Runner-up position for Member Dealers Expansion of Investors & Listed Companies Base in the JSE's Best Practices Award in recognition of our historic Dolla Financial IPO and Kingston Properties (KPREIT) APO. Additionally, we were shortlisted for the JSE Best Practices Corporate Governance Award.

Financial Highlights

Our Net Interest Income fell significantly but our other revenue segments performed better. Ultimately, total revenue experienced a 19.44% year-over-year decline, reaching $1.88 billion, while our net profit showed a more substantial drop, falling 72.25% below the previous period. Consequently, our return average on equity (ROAE) decreased by 19.76 percentage points, settling at 6.08%. The capital to total assets ratio for the industry decreased from 17.4% to 14.9%, but it still surpassed the FSC benchmark of 6%, while our capital to total assets ratio increased to 13.73%, and our capital to risk-weighted assets ratio improved to 27.56% following a $1.5 billion capital injection. However, our earnings per share (EPS) for 2023 amounted to $0.13, falling short of the previous year's EPS.

Looking Ahead

The IMF forecasts a 1.80% GDP growth rate for the local economy, accompanied by an average inflation rate of 5%. While this brings some positive news for the economy, projections suggest that local equities will remain subdued in 2024 due to persistently high interest rates. Nevertheless, VMIL remains committed to delivering innovative solutions for our clients and stakeholders through agile portfolio management, the introduction of creative capital market products, and advancements in technology. We will actively introduce new products to the market and pursue expansion initiatives into new markets and territories, aiming to enhance our Return on Investments (ROI). Our main objectives for 2024 include:

- **Accelerate Asset Management**
- **Expand Funding Sources**
- **Product Rationalisation**
- **Redefining Business Processes**
- **Integrating our Platforms**

Despite the expected challenges, 2024 holds promise for improved company operations, as we refine our processes, enhance our responsiveness and seize the investment opportunities at our hands.

We will persist in making the necessary adjustments to continue transforming the lives of our clients, shareholders, and those within the broader community in 2024 and beyond.

Rez Burchenson
Chief Executive Officer

REPORT ON 2023

2023 Business Highlights

Onboarded
1,050
clients locally and regionally.

Supported the spread of financial education by way of the leadership team attending meetings at:

1. **Kingston College Investors' Club**
2. **Wolmer's Boys Investor's Club**
3. **Mentorship to UWI students for Company Analysis programme**

Received the **Green Business Jamaica Award** (March 2023-February 2024)

Team Members presented at multiple forums namely:

1. **JSE Investor Webinar:** "Security token offering and its impact on investors"
2. **Moderated a Segment at The JSE 18th Regional Investments and Capital Markets Conference:** "Protecting capital Markets. How combining blockchain and regulations protect investors"
3. **UTech Banking & Finance Forum**
4. **UWI Computing Society**
5. **UWI Social Sciences Department**

The Inaugural **VMIL Internship Programme** was concluded with some interns being offered full time positions at the business

Three of our Unit Trust Portfolios were **TOP 3** in the industry

AWARDED at the **JSE Best Practices Awards**

Team was the **2nd Runner Up for Member Dealers** - Expansion of Investors & Listed Companies Base

Partnered with author **Keisha Cameron** for **'Ayedin Learns Investment'** a book centred on introducing children to investments

The Corporate Finance Unit Raised **$1.83 BILLION** for companies

US Equity Unit Trust Portfolio (Global Equity Growth) **was the best performing for the industry**

REPORT ON 2023

Leadership Team

01 **Mr Rezworth Burchenson,** MBA, BSc
Chief Executive Officer

02 **Mr Brian Frazer,** BSc, CFA
Deputy Chief Executive Officer

03 **Mr Dwight Jackson,** MSc
Assistant Vice President
Capital Markets

04 **Mrs Karlene Waugh,** BSc
Assistant Vice President
VM Group, Business Operations

05 **Mrs Evette Bryan,** MBA
Assistant Vice President
Asset Management & Treasury

Leadership Team

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

07 **Ms Christine Benjamin**
Senior Manager
Sales & Client Relations

08 **Ms Voniel Wynter,** FCCA, FCA, BBA (Hons)
Manager
Group Finance

09 **Mr Jason Bailey,** MSc, (Dist)
Manager
Risk and Compliance

10 **Mrs Nicole Adamson**
CFA, FRM, CSM, MSc
Manager
Research, Business Planning
& Investor Relations

REPORT ON 2023

Leadership Team

CONTINUED

Mr Rezworth Burchenson

MBA, BSc
Chief Executive Officer – VM Investments and VM Wealth Management Limited

Rezworth Burchenson is a Senior Vice President and CEO of VM Investments Limited (VMIL) and its 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 PSOJ's 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 Jamaica Stock Exchange (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 Industry Association of Jamaica (PIAJ).

He currently 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 well-being among Jamaicans at home and abroad.

Mr Brian Frazer

BSc, CFA
Deputy Chief Executive Officer - VM Investments and VM Wealth Management Limited

Brian Frazer joined the VM Group on September 1, 2022, as Deputy Chief Executive Officer at VMIL and VMWM with direct responsibility for the Company's 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 the fiduciary, financial and operating performance of the Company and formulating and executing strategies to grow the business.

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 unit trusts, mutual funds, pension funds, corporate clients and individual investors across the region. His experience covers 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) Charter holder 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 served as Managing Director of Scotia Investments Trinidad and Tobago Limited and is a current member of the Audit Committee of the Government of Jamaica Ministry of Finance and Public Services of Jamaica and and a member of the Private Sector Organisation of Jamaica (PSOJ) Economic Policy Committee.

Mr Dwight Jackson

MSc
Assistant Vice President - Capital Markets

Dwight Jackson joined the team in February 2021 as Assistant Vice President, Capital Markets and has been developing and implementing 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.

Before joining VMIL, Brian held 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 offering 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 for the Group with assets of just under J$700 billion, stipulating suitable risk limits for credit portfolios and developing frameworks and models to better analyse and manage risk exposures.

Dwight earned 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.

Mrs Karlene Waugh
BSc
Assistant Vice President - VM Group, Business Operations

A results-focused professional with a passion for efficiency and effectiveness, Mrs Karlene Waugh holds the post of Assistant Vice-President – Business Operations for the VM Building Society. In this capacity, Mrs. Waugh 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 to internal controls throughout the VMBS Branches & Representative Offices.

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. 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). She also has formal training in Risk Management, Credit Administration, Job Evaluation, Change Management and certification in Applied Project Management administered by Project Management Global Institute, Lean Six Sigma – Green Belt administered by CARICODE & Strategy Consultants, Organization Development (OD) administered by CARICODE & UTECH, Caribbean Securities, FX Trading, Brokerage Operations administered by the JSE. Currently pursuing LSS Black Belt Certification and International Coaching Certification.

Mrs Evette Bryan
MBA
Assistant Vice-President - Asset Management & Treasury

Evette Bryan joined VM Wealth Management Limited 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 a 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.

With over 30 years of experience in banking and finance, Evette is adept at navigating markets across asset classes and international borders.

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 Marshall-Miller joined the VM Wealth Management Limited team as Manager–Bond Trading in February 2011. Her mandate is to facilitate the growth of bond trading revenue by providing internal and external clients with diversified bond options.

She focuses on building and expanding trading relationships with overseas counterparts, providing guidance to the Bond Trading Team and deepening relations with existing VM Wealth clients.

July 2019, Denise's portfolio was expanded to include the Stockbrokerage division of the business. She is tasked with growing the equity portfolio, generating trading gains and growing equity commission while educating the client base on investing. IN January 2022, Denise was promoted to Senior Manager- Bond, Equity and Digital Asset Trading. Alternative investments were added to her portfolio. She is tasked with generating revenue from both traditional and non-traditional investments.

Denise has over 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.
Denise holds an MBA, 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.

REPORT ON 2023

Leadership Team

CONTINUED

Ms Christine Benjamin

Head - Sales & Client Relations

Christine Benjamin joined the VM Group on January 19, 2023, as Head, Sales and Client Relations at VMWM. 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 has also been 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 also holds an undergraduate degree in International Relations from The University of the West Indies.

Ms Voniel Wynter

FCCA, FCA, BBA (Hons)

Manager - Group Finance

Voniel Wynter was appointed to the post of Manager – Group Finance in September 2018 after almost five years with VM Pensions Management Limited (VMPM), most recently in the post of Assistant Manager, responsible for Client Portfolios and Financial Reporting. Prior to that, Voniel spent four years in the role of Senior Accountant at VMPM.

She has more than 18 years' experience in the fields of Finance and Accounting, the majority of which was with a renowned auditing firm providing auditing services to a wide spectrum of clients in various industries.

Voniel is a Fellow of the Association of Chartered Certified Accountants of England and Wales and is a Member of the Institute of Chartered Accountants of Jamaica. She holds a Bachelor of Business Administration (Honours) from the University of Technology.

Mr Jason Bailey

MSc. (Dist.)

Manager - Risk and Compliance

Jason Bailey joined the VMIL on July 12, 2021, as Manager, Risk and Compliance. He is responsible for developing and implementing the Enterprise Risk Management (ERM) and Compliance framework, including facilitating risk assessments; fostering the desired risk and compliance culture through training and awareness, and coaching a team of risk champions; ensuring compliance with regulation, laws, and statutory guidelines; and ensuring that internal policies and procedures are updated in line with international standards and best practices and are being adhered to.

Jason holds a MSc. in Enterprise Risk Management (Distinction) from the University of the West Indies, a BSc. in Mathematics with Actuarial Science Emphasis (Magna Cum Laude) from NCU and an ASc. in Computer Information Science (Magna Cum Laude) also from NCU.

Mrs Nicole Adamson

CFA, FRM, CSM, MSc

Manager - Research, Business Planning & Investor Relations

Nicole has over 20 years of experience in Jamaica's financial sector, spanning private and public domains. She joined VM Wealth Management in 2011 as Research Manager, expanding her role to include stockbroking, corporate social responsibility, business planning, and investor relations. Currently, she leads a team of analysts offering insights into local and global economies, guiding investments across equities, bonds, and alternative assets.

Before VM Wealth, Nicole contributed to strategic initiatives at the VM Building Society and the Ministry of Finance & Planning. She champions environmental stewardship, chairing the VM Group ESG Committee since its inception in 2022. Nicole's dedication to sustainability is evident in her completion of the CFA Certificate in ESG Investing in 2023. She also spearheads corporate social responsibility and governance at VM Wealth, partnering with the Jamaica Forestry Department on tree planting efforts.

Beyond her professional roles, Nicole serves on the Board of the Jamaica Island Nutrition Network (JINN) and the Audit Committee of the Ministry of Foreign Affairs & Foreign Affairs and Foreign Trade and volunteers with CFA Institute and CFA Society Jamaica. She holds certifications including CFA Charterholder, Financial Risk Manager (FRM) fellow, and Certified ScrumMaster®. Nicole's academic credentials include an MSc in Finance, Economics, and Econometrics from Bayes Business School, City University, London, and a First Class Honours BSc in Actuarial Science from the University of the West Indies, Mona.

MD&A

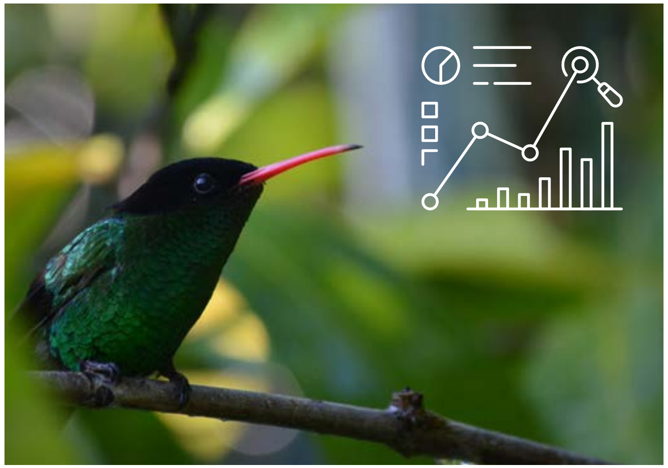
Management Discussion & Analysis

Management Discussion & Analysis

Economic Overview

Industry Overview

In 2023, despite persistent geopolitical tensions, increased price levels, and elevated interest rates, the world economy demonstrated notable resilience. The International Monetary Fund (IMF) has estimated that the global economy grew by 3.10% in 2023, slightly lower than the 3.50% recorded in 2022. Throughout 2023, VMIL adapted an agile approach to the changing macroeconomic landscape and adjusted our portfolio positions promptly, responding to the impact of already high and rising interest rates and a deceleration in growth, both influenced by global conditions.

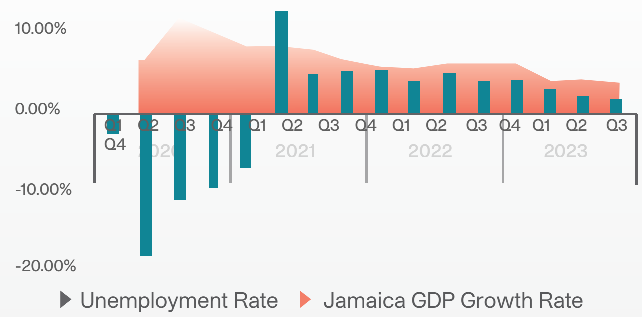


Jamaica

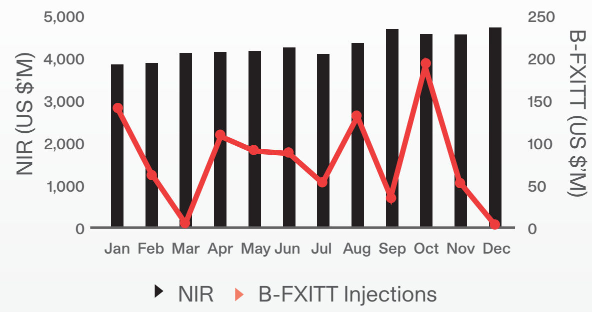
The local economy demonstrated strength in the face of external economic shocks. Positive trends were observed in key economic indicators, including gross domestic product (GDP) growth, international reserves, and the unemployment rate. However, despite a deceleration in inflation, the local stock market experienced a choppy year as higher interest rates subdued the appetite for local equities.
Sustained economic expansion was significantly supported by the tourism sector and the reopening of JAMALCO, leading to an annual growth rate of 2.60%. The economy came close to full employment in 2023, evidenced by a decrease in the annual average unemployment rate from 6.28% in 2022 to 4.38%. However, despite the improvement in employment, the pace of growth slowed, emphasising the necessity for improved productivity.

The Jamaican dollar experienced extreme volatility in 2023. However, through 35 interventions via the BOJ Foreign Exchange Intervention Trading Tool (B-FXITT), the JMD depreciated 1.87% year-over-year against the USD. The local currency was supported by the stock of Net International Reserves (NIR), which closed 2023 at a record high US $4.75 billion. Although remittances slowed in 2023, monthly inflows consistently remained above US $200 million, with year-over-year inflows down 1.98% to US $3.27 billion at the close of December 2023.

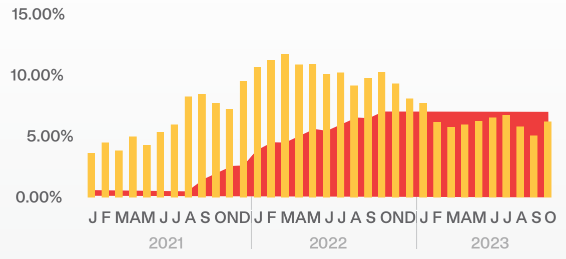
Unemployment is Trending Downwards but Growth is Slowing



Reserves Supported 35 B-FXITT Interventions



The Local Economy Experienced Positive Real Interest Rates in 2023



In 2023, domestic inflation generally decreased but remained above the BOJ's 4% to 6% target, primarily due to increased transportation costs, higher food prices linked to climate change impacts, and elevated maintenance-related prices. The average inflation rate for 2023 was 6.49%, surpassing the BOJ's upper limit. However, the pace of price increases slowed compared to the 10.36% average inflation rate in 2022. Despite this, the BOJ kept the overnight policy interest rate steady at 7.00%, citing the delayed effects of previous rate hikes, the effect of which was a return to positive real interest rates.

The JMD broker market encountered initial challenges in liquidity for long-term repurchase agreements in 2023, but short-term placements showed improvement. The BOJ 30-day Certificate of Deposit yield fluctuated, reaching a peak of 10.43% in December 2023. Global and local bond prices were adversely affected by geopolitical events, although a late-year rally occurred in the global bond market. In 2023, there was a surge in corporate papers, with VMIL's Corporate Finance team playing a significant role in introducing multiple papers. Treasury bill yields exhibited variability throughout the year, concluding with the 91-day tenor at 8.10%, the 181-day tenor at 8.46%, and the 273-day tenor at 8.43% in the December auction.

The Government unveiled a record-breaking FY 2023/24 budget, marking the highest level of expenditure in the nation's history. The initial budget of $1.021 trillion was subsequently revised upward to $1.094 trillion. As the Government completes two-thirds of the fiscal year, the combined revenue and grants continue to be robust, slightly falling short by 0.21% compared to the third supplementary estimates. However, tax revenue has exceeded projections by 0.17%. Similarly, total expenditure is lagging behind the third supplementary estimates by 1.56%, despite the influence of heightened price levels placing pressure on Government resources.

Moody's Investors Service upgraded the long-term issuer and senior unsecured ratings of the GOJ from 'B2' to 'B1' and changed the outlook from Stable to Positive. Similarly, S&P Global Ratings raised Jamaica's long-term ratings to 'BB-' from 'B+' with a Stable outlook. These upgrades were attributed to the GOJ's persistent efforts in debt reduction and anticipated fiscal prudence. Higher credit ratings will allow better capital market conditions for the Government, which saw the introduction of the new JMD-linked benchmark note.

Ratings Agency	Credit Rating Change	Outlook Change
Moody's	B2 ↑ B1	Stable ↑ Positive
S&P Global Ratings	B+ ↑ BB-	Stable ↔ Stable
Fitch Ratings	B+ ↔ B+	Stable ↑ Positive

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

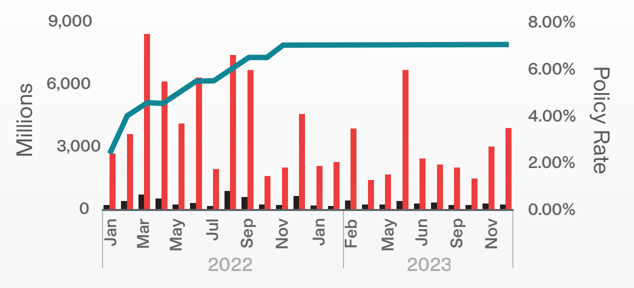
Upgrade ▶ Remained the Same

MD&A

Industry Overview 2023

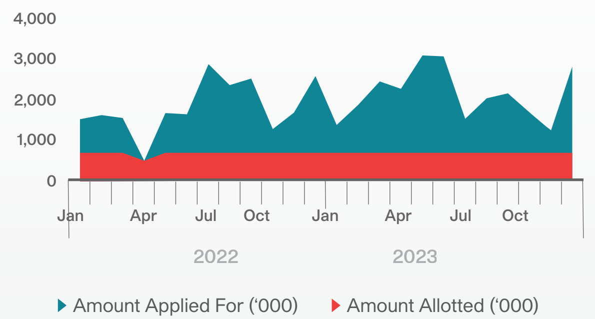
The local financial industry faced a challenging year because the central bank maintained its hawkish stance by keeping the policy interest rate at 7.00%. This was the highest policy rate since the BOJ adopted an inflation targeted framework in 2018. This resulted in deposit-taking institutions (DTIs) having to pass down higher rates onto their various lines of business, specifically lending solutions. Additionally, the capital market space had to grapple with depleted investor sentiment due to the high interest rate environment which lowered company valuations, causing fewer companies to be interested in going public on the JSE and dampened equity investments as investors sought refuge in fixed income solutions. This was evidenced by the JSE Combined Index registering a 7.99% YTD decrease to end 2023, closing at 339,158.12 points. The YTD decline was primarily accredited to the 8.48% decline of the Main Market. This demonstrated that the risk of higher interest rates posed a tangible threat to financial institutions which caused increased funding costs and fair value losses.

The Impact of Tighter Monetary Policy on the JSE



At the end of Q1 2023, the Financial Services Commission (FSC) had 37 companies as listed securities dealers. The data for 29 of these dealers revealed that total balance sheet assets experienced a 2% year-over-year increase to $873.9 billion when compared to the corresponding period in 2022. Total Funds Under Management for the quarter saw a 10.30% reduction to $1.23 trillion when compared to March 2022. This was due to a 7.70% decline in the aggregate balance sheet capital to end at $130.50 billion. However, the industry reported a 4.30% increase in revenue for the period to end Q1 2023 at $16.90 billion. The boost in revenue was credited to increased yields on debt instruments, a result of the higher interest rate policy. This was evident in the consistent oversubscription of government debt instruments throughout the year, potentially contributing to a 33.33% improvement in net profit income compared to March 2022.

Oversubcription of the 6-month Treasury Bills Due to Monetary Tightening



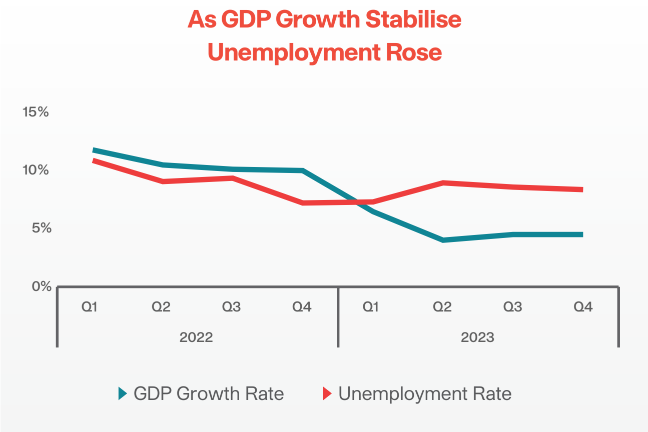
Despite the challenging economic conditions, the industry's financial health remained robust. According to the BOJ's Macro Prudential Policy report, the macro financial index showed improvement, dropping from 27.0 points in June to 25.0 points in September 2023. The stability of the financial system was further reinforced by solid Capital Adequacy ratios, registering at 21.20% for Securities Dealers as of June 2023, comfortably exceeding the FSC's 14.0% benchmark. Liquidity also demonstrated stability for securities dealers, with a Liquidity Coverage Ratio of 17.0% as of June 2023.

Overseas

Barbados

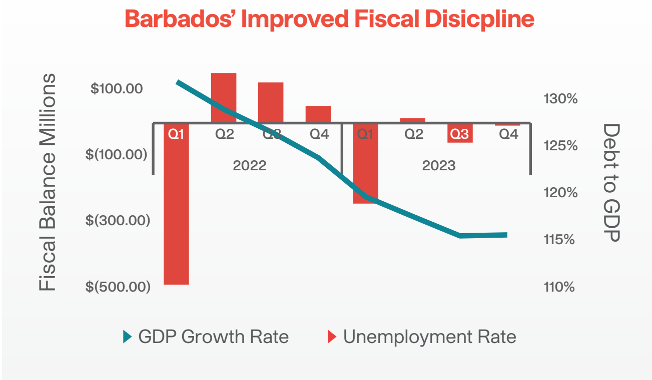
The Barbados economy exhibited resilience and maintained its upward growth momentum throughout 2023 despite facing elevated foreign interest rates, the impacts of geopolitical tensions, and climate events affecting agricultural output and prices. Fueled by a thriving tourism industry, the economy achieved an estimated growth of 4.40%. This expansion boosted transaction-based tax revenues and played a significant role in reducing the debt-to-GDP ratio, narrowing the external current account deficit, and improving the profitability of the financial sector.

Tourism continued to play a pivotal role in driving economic expansion, demonstrating strong performance in its second year of recovery post the COVID-19 pandemic. This success was supported by factors such as increased airlift capacity, intensified promotional initiatives in key source markets, high-profile cricket events, and the lively revival of the Crop-Over festivities. The sustained growth in tourism acted as a catalyst for the expansion of non-traded sectors, particularly energising construction, wholesale & retail, and other service sectors, highlighting the interconnected nature of the economy.



In the face of a minor increase in unemployment, job growth in critical sectors indicates the resilience of the labour market. The labour force underwent a slight adjustment, with a decrease of approximately 3,500 individuals at the end of September 2023, primarily due to a 2,300 increase in the number of retirees. This transition, along with a growth in the number of unemployed individuals in agriculture and administrative & other services, resulted in an unemployment rate of 8.30% at the end of the period, marking an increase from the 7.10% recorded a year prior.

Barbados' external position strengthened during 2023 with the current account narrowing by $224.50 million to a reduced deficit of $1,026.20 million. This improvement was primarily fueled by a surge in tourism receipts and a decrease in the value of imports. Additionally, the country's foreign reserves benefited from policy-based loans, leading to a US $227.20 million increase, reaching US $2,997.40 million at the end of 2023. This marks the second-largest end-of-year reserve position on record, serving as another indicator of Barbados' enduring economic resilience.



The Government effectively managed the fiscal challenges, achieving its primary surplus target and maintaining a minimal overall deficit. Despite challenges such as the cessation of the pandemic levy and shifts in the timing of corporation tax collections, the Government was able to remain fiscally prudent. Enhanced domestic economic activity boosted transaction-based taxes, effectively mitigating revenue losses. Despite increased spending on rising interest costs, wages & salaries, and grants to public institutions, the Government achieved a primary surplus of $493.90 million, equivalent to 3.8 percent of GDP, surpassing the target of $378 million. This not only helped reduce the Government's financing requirements but also resulted in a small overall fiscal deficit of just $9.10 million, or 0.10% of GDP.

United States of America

The US economy surpassed expectations, recording a 2.50% GDP growth rate in 2023, amid rising interest rates, but mainly supported by upbeat consumer spending. The Federal Reserve (Fed) added 100 basis points to the Fed Fund rate in 2023, before pausing at 5.25% - 5.50%. The hawkish tone of the central bank to curtail inflation, resulted in a general pull back on the inflation rate, softening labour market conditions, and a notable decline in bond prices.

In 2023, the US inflation rate experienced a significant slowdown, concluding the year at 3.38%, nearly half the level recorded in December 2022. This deceleration was bolstered by robust conditions in the labour market. Despite challenges in the manufacturing sector, indicated by PMI readings below 50%, the overall labour market remained strong, with the unemployment rate closing the year at 3.70%, just 20 basis points higher than the previous year's end. Notably, the services sector expanded during this period.

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Industry Overview 2023

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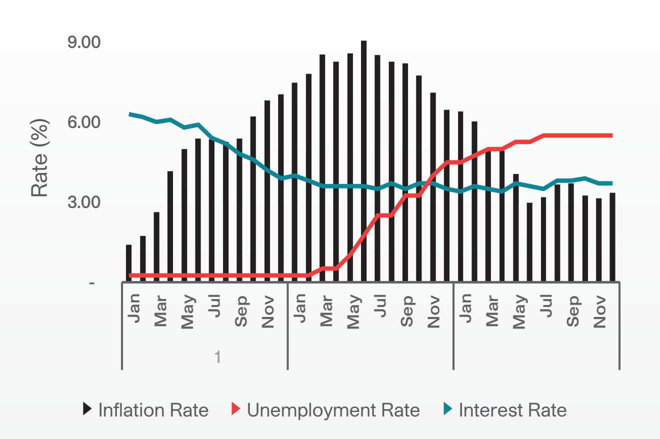
The Local Economy Experienced Positive Real Interest Rates in 2023



Even in the face of heightened interest rates, the stock market was resilient, and the S&P 500 Index recorded a year-over-year gain of 24.23%, while the Nasdaq Composite and the Dow Jones Industrial Average achieved increases of 43.42% and 13.70%, respectively. The Fed's decision to pause rate increases in Q4 contributed to a stabilisation in yields on the US 10-year Treasury notes, a key influencer of mortgage rates in the US market. By the end of 2023, these yields had declined, settling at the same level as December 2022, at 3.88%.

In 2023, a debt limit showdown brought the US to the brink of default, which was prevented with the suspension of the debt ceiling until 2025. Increased borrowing by the Federal government resulted in a credit rating downgrade by Fitch Ratings from 'AAA' to 'AA+' and an outlook downgrade by Moody's Investors Service from stable to negative.

Economic Outlook 2024

The global economy is projected to sustain resilience in 2024, transitioning from the post-pandemic boom. The IMF forecasts a 3.10% GDP growth rate, equivalent to the estimated rate in 2023. This expansion is to be supported by less aggressive central banks, slower inflation, the full reopening of the Chinese economy, and improved supply conditions. Downside risks include the pass-through effects of previous rate hikes, continued COVID-19 outbreaks in China, climate change impacts on productivity and food prices, and heightened geopolitical tensions.

In 2024, it is anticipated that Governments will conclude significant fiscal stimulus packages implemented to address the pandemic's impact and combat historically high inflation. Governments are likely to shift their focus back to debt reduction strategies, which should contribute to decreased instances of demand-pull inflation that were particularly prominent in 2020-21, when numerous stimulus packages were issued. Some of the main themes for 2024 are expected to be geopolitical tensions, climate change action, election focus and pivots by central banks.

Locally, the inflation rate is expected to end 2024 within the BOJ's 4% to 6% target range, but there are upside risks which have set the BOJ on alert to resume rate hikes. Ultimately though, we expect the BOJ to cut rates in Q4 2024. The policy interest rate is projected to end 2024 at 6.50%, 50 basis points below the current 7.00%. Despite the prevailing high interest rates, domestic companies are expected to have improved financial fortunes, but the local stock market may see a slower rebound if investor sentiment does not pick up quicky. The JSE Junior Market index is expected to outperform the Main Market index, but until more tailwinds emerge, we may see muted new and additional listings.

In summary, the global and local economic landscapes in 2024 present a mix of challenges and opportunities, influenced by factors such as geopolitical events, central bank policies, climate actions, and ongoing global economic trends.

Country	Variable	2021	2022	2023E	2024F	2025F
Jamaica	GDP Growth Rate (%)	4.60	5.20	2.60	1.80	1.70
	BOJ Policy Rate (%)	2.50	7.00	7.00	6.50	6.25
	Debt-to-GDP (%)	109.70	94.20	79.70	74.20	68.20
	Current Account Balance as a % of GDP	1.00	-0.80	-1.30	0.80	N/A
	Inflation Rate (%)	7.30	9.35	6.88	5.31	5.00
	Unemployment Rate (%)	8.35	6.28	4.38	4.80	5.00
	NIR (US $M)	4,000.77	3,978.00	4,748.14	4,600.00	4700.00
Barbados	GDP Growth Rate (%)	-1.30	13.80	4.40	3.20	2.80
	CBB Policy Rate (%)	2.00	2.00	2.00	2.00	2.00
	Debt-to-GDP (%)	137.90	126.90	115.00	107.50	100.50
	Current Account Balance as a % of GDP	-10.90	-11.00	-9.10	-7.80	-7.00
	Inflation Rate (%)	3.00	8.80	7.30	5.90	3.20
	Unemployment Rate (%)	10.90	9.30	9.70	9.90	9.80
	Gross Reserves (US $M)	3,058.80	2,805.90	3,270.00	3,100.00	N/A
US	GDP Growth Rate (%)	5.90	2.10	2.50	2.10	1.70
	Fed Funds Rate (%)	0.25	4.50	5.50	5.25	4.75
	Inflation Rate (%)	7.04	6.50	3.35	2.40	2.00
	Unemployment Rate (%)	3.90	3.50	3.70	4.30	4.00

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 Labour Statistics, US Federal Reserve

MD&A

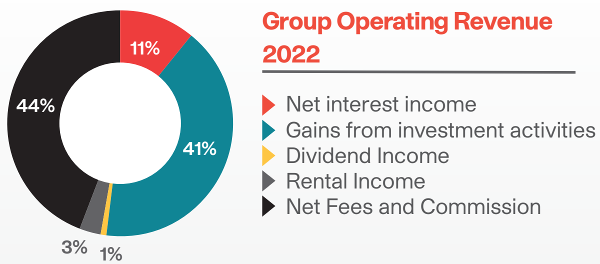
Financial **Performance**

FINANCIAL PERFORMANCE – Financial Year 2023

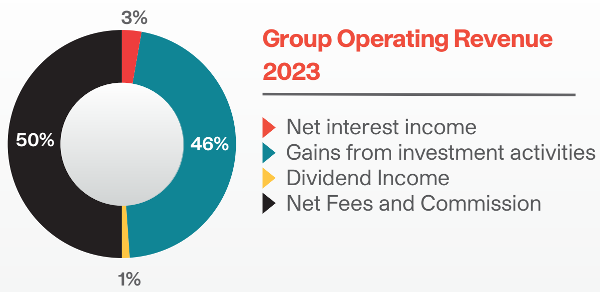
Adverse macro-economic conditions combined with negative investor sentiments pulled on most of VMIL's revenue lines and saw the company's financial performance deteriorating in 2023. Nonetheless, we implemented several investment, marketing, and cost containment strategies to offset the impact.

To our advantage, elevated interest rates improved our interest revenue by 7.87%, increasing from $1.40 billion to $1.51 billion, mainly supported by higher interest on loans. The company also saw the addition of $164.38 million in other interest income from Convertible Preference Shares. However, the 42.16% uptick in interest expense resulted in the Net Interest Income (NII) declining by 81.10% at the end of the year. NII fell from $253.04 million to $47.82 million, as the company paid higher interest on Loans and Borrowings.

Group Operating Revenue 2022



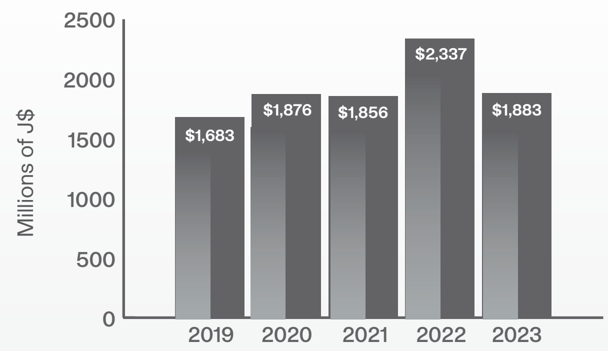
Group Operating Revenue 2023



The company's other operating revenue items weathered the difficult environment but were unsuccessful in outperforming the previous year. Fees and Commission Income, which continued to account for nearly 50% of our operating revenue, had a 6.61% decline in 2023, to end the year at $944.93 million. High interest rates have negatively impacted the valuations of many companies that are interested in listing on the JSE, due to increased cost of borrowing leading to higher interest expenses and reduced projected profitability. In return, several companies have opted to delay listing, which has contributed to the $66.83 million reduction in our Fees and Commission.

Gain on Redemption Investments, which is the second largest contributor to our operating revenue, had a 8.47% decrease, to end 2023 at $866.43 million. Likewise, our Dividend Income slipped after shedding $17.48 million to end at $15.56 million. With no rental income and a 55.62% decline in other income, VMIL's operating revenue declined by 13.58% to $1.83 billion. Ultimately, Total Revenue dipped 24.14% to $1.88 billion, compared to $2.34 billion at year end 2022.

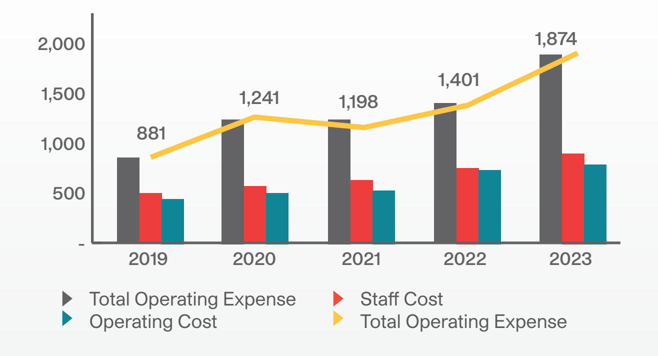
Net interest income & other operating revenue



Operating Expenses

Our commitment to attract and retain top talents resulted in our Staff Costs remaining our largest Operating Expense in 2023. Staff costs, which account for half our expenses, jumped 19.34% to end 2023 at $912.57 million. This was followed by Other Operating Expenses, which posted a 7.19% increase to end the year at $810.70 million, supported by a $104.39 million Management Fees paid to our subsidiary, VM Financial Group, for managing our affairs. The $150.38 million Impairment Losses contributed to a 225% uptick in Total Operating Expenses, ending the reporting period at $1.87 billion.

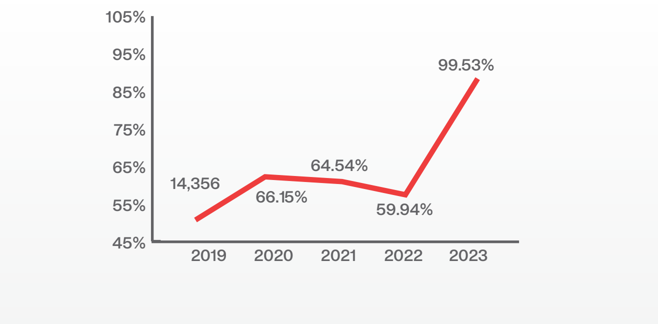
Operating Expense



Efficiency Ratio

The efficiency ratio evaluates operational efficiency. A lower ratio suggests greater efficiency in business operations. In 2023, the efficiency ratio of 99.53% reflected a significant deterioration compared to the previous year's ratio of 59.94% in 2022.

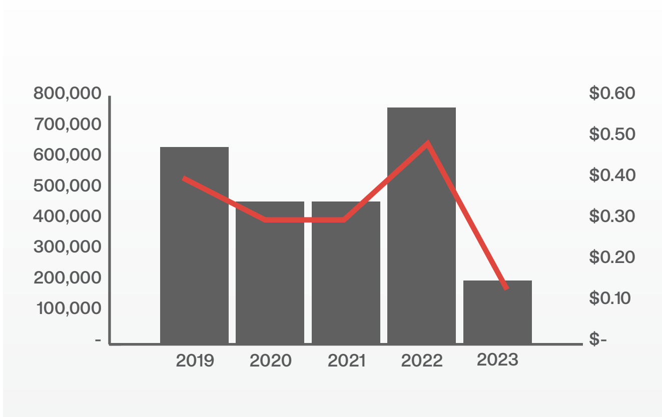
Cost/Income Ratio



Group Profit

In line with our efforts to expand our real estate investments, particularly through our 23% associated stake in Kingston Properties Limited (KPREIT), VMIL experienced a 100% surge in our Share of Associate's Profit, reaching $164.41 million. Despite this addition, our Pre-tax Profit fell 81.49% to $173.30 million from $936.28 million at year end 2022. We yielded an effective tax rate of 14.74% in comparison to 23.46% in 2022, even as VMIL received a $25.55 million tax credit in 2023. Subsequently, our Net Profit saw a $517.74 million or 72.25% year-over-year decline to $198.84 million and Earnings per Share (EPS) declined to $0.13 from $0.48.

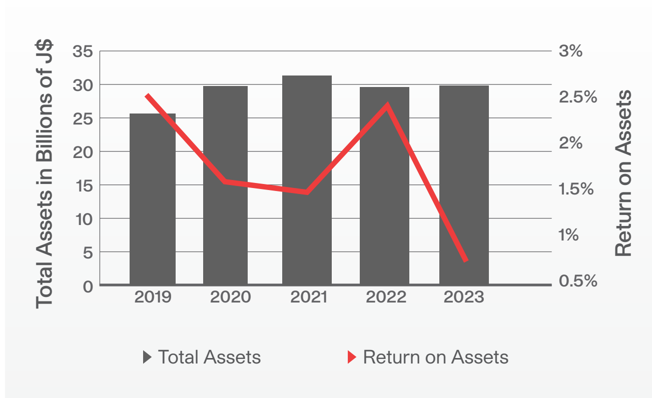
Historical Net Profit/ (Loss)



Asset Base

For December 2023, VMIL's asset base improved to $29.51 billion when compared to $28.94 billion reported in the prior year, an equivalent increase of 1.95%. The outcome was mainly influenced by significantly higher gains from resale agreements, which grew by 109% to close the year end at $157 billion. This was also supported by marginally higher investment securities at $18.30 billion and interest in associates at $1.72 billion for the year.

Total Assets



Of note, the growth achieved in resale agreement contributed to lower cash resources as the company seeks to capitalise on the high interest rate environment that is expected to persist over the short term. Investment securities continue to be challenged by tight monetary policy which has resulted in the underperformance of the stock market as prices remain depressed.

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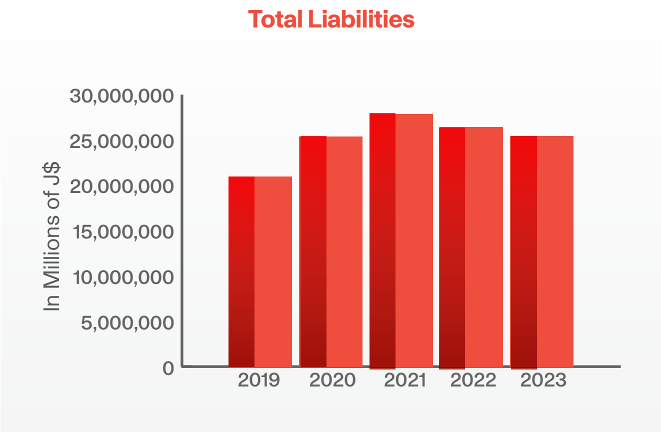
Financial Performance

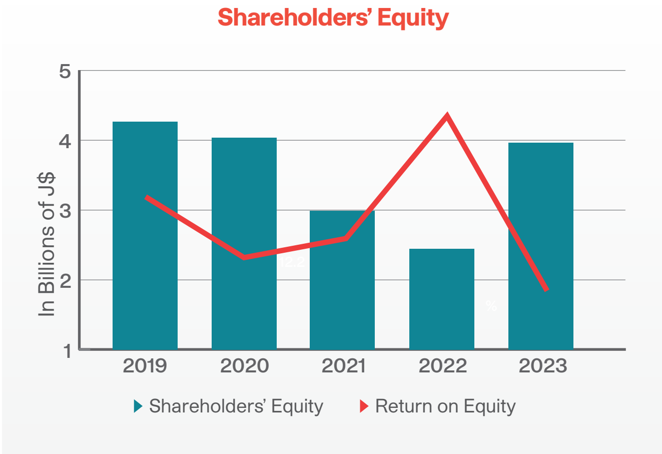
CONTINUED

Total Liabilities & Shareholders' Equity

VMIL consolidated total liabilities for the financial year 2023 declined slightly from $26.45 billion in the prior year to $25.46 billion representing a 3.77% reduction. This was chiefly associated with a $284.41 million drop in customer liabilities to $1.18 billion, followed by declines in other liabilities and lease liabilities by 27.62% and 17.16% respectively. Importantly, borrowings increased considerably above the 2022 figure of $7.49 billion to $8.66 billion or by 15.52%. In the first quarter of 2023, VMIL successfully raised $5.8 billion through a private bond offer with the primary objective to refinance current debt and fund investment opportunities as they arise.



Meanwhile, total shareholders' equity pivoted higher to $4.05 billion or by 62.75% for the year relative to $2.49 billion for 2022. This was marked by increases in reserves, where investment revaluation and other reserves closed the year-end higher while retained earnings grew to $2.69 billion representing an increase of 7.98%.

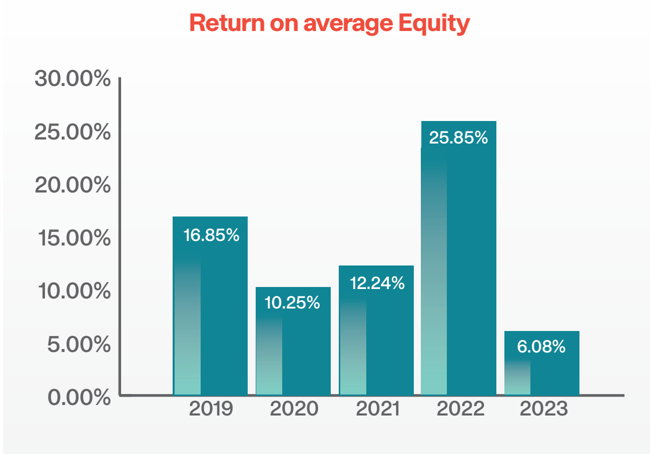


Capital Management

VMWM capital adequacy ratio as at December 2023 was 27.53%, 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 financial 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 (ROE)

ROE for the 2023 financial year ended December 31, 2023 stood at 6.08%. The significant decline was characterised by weak profitability results underpinned by lower overall revenue, which were further exacerbated by a rise in shareholder equity. Lower earnings were a result of growing financial strain as markets continue to grapple with a tightening cycle.



Liquidity and Funding

For the financial year ended December 31, 2023, the Group's liquidity resources, which included cash and cash equivalents, stood at $877 million.

The 90-day liquidity gap ratio is the primary metric used to track liquidity risk. The numerator of the ratio is determined by deducting the entire amount of assets that mature in 90 days from the total amount of liabilities that mature in 90 days. The denominator is total liabilities.

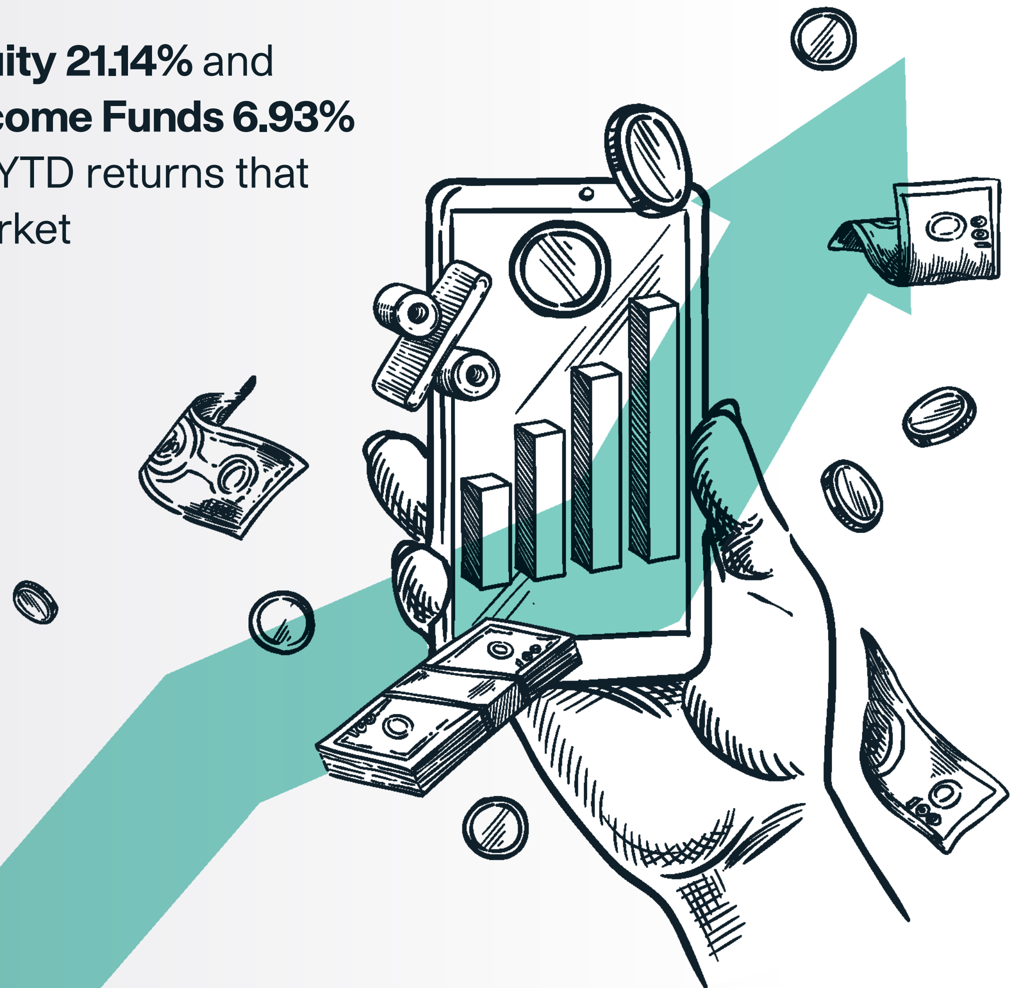
The strategy for managing liquidity is to make every effort to guarantee that it will have enough cash on hand to pay its debts when they become due in both routine and stress scenarios. The company employs prudent liquidity risk management practices, such as keeping an adequate amount of cash and marketable securities on hand, regularly assessing future cash flows and liquidity, and maintaining a line of credit with a reliable financial institution.

Off Balance Sheet Funds Under Management

The company acts as agent and earns fees for managing clients' funds on a non-recourse basis under management agreements. As of 31 December 2023, these funds amounted to $58.39 billion (2022: $46.71 billion).

VMIL's Unit Trust Portfolios did well during the year when the Global Equity and Classic Income Funds produced YTD returns that led the market at 21.14% and 6.93% respectively.

Global Equity 21.14% and **Classic Income Funds 6.93%** produced YTD returns that led the market



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Enterprise Risk Management

Risk Process

The scope and nature of VMIL's business operations expose the business to risks as it pursues its strategic objectives and initiatives. Enterprise Risk Management (ERM) at VMIL 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 organisation to ensure an optimal balance between risk and return is achieved, to maximise value and minimise potential adverse effects on VMIL's 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

The Board of Directors has ultimate oversight and responsibility for risks and has a fiduciary responsibility to its stakeholders. The Board is supported by the Audit, Risk and Conduct Review Committee, which oversees VMIL's 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. While the Board has overall responsibility for risk management, and VMIL's alignment with established risk appetite statements and tolerance limits, the Board is supported by the:

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

Risk Management Framework

VMIL's ERM Framework continues to be robust and facilitative of growth despite the heightened risk. Risk management continues to be an integral part of good internal control and corporate governance. The Board is responsible for ensuring that an effective ERM 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 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 are designed to identify events that have the potential to 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 20 related principles, which represent the fundamental concepts associated with each component.

Mission, Vision & Core Values	Strategy Development	Business Objective Formulation	Implementation & Performance	Enhanced Value
Governance & Culture	**Strategy & Objective-Setting**	**Performance**	**Review & Revision**	**Information Communication, & Reporting**
1. Excercises Board Risk Oversight 2. Establishes Operating Structures Defines Desired Culture 4. Demonstrates Committment 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. Implemements Risk Responses 13. Implements Risks Responses 14. Develops Portfolio View	15. Assesses Substantial Change 16. Reviews Risk and Performance 17. Pursues improvent in Enterprise in Risk Management	18. Leverages Information and Technology 19. Communicates Risk Information 20. Reports on Risk, Culture, and Performance

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Enterprise Risk Management

CONTINUED

Governance and Culture

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

Strategy and Objective-Setting

Enterprise risk management is integrated into VMIL's strategic plan through the process of setting strategy and business objectives. With an understanding of business context, VMIL gains insight into internal and external factors and their effect on risk. VMIL sets its risk appetite in conjunction with strategy-setting. The business objectives allow strategy to be put into practice and shape VMIL's day-to-day operations and priorities.

Performance

VMIL identifies and assesses risks that may affect the achievement of strategy and business objectives. Risks are prioritised according to severity with consideration for established risk appetites. VMIL then selects risk responses and monitors performance for change. In this way, VMIL develops a portfolio view of the amount of risk it has assumed in the pursuit of its strategy and organisation-level business objectives.

Review and Revision

By reviewing enterprise risk management capabilities and practices, and performance relative to its targets, VMIL considers how well the enterprise risk management capabilities and practices have increased value over time and will continue to drive value considering substantial changes.

Information, Communication and Reporting

Communication is the continual, iterative process of obtaining information and sharing it throughout VMIL. Management uses relevant information from both internal and external sources to support enterprise risk management. VMIL leverages information systems to capture, process, and manage data and information. By using information that applies to all components, management reports on risk, culture, and performance.

First Line

- Accountable for a risk area (process, application, asset, information, etc.)
- Identify, assess, manage, mitigate and report on risk.

Second Line

- Interprets regulations and communicates to SBU
- Monitors compliance with regulation and policies
- Advises 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

First Line: Core Business

Management is responsible for identifying and managing the performance and risks resulting from practices and systems for which it is 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 (also referred to as business-enabling functions) include management and personnel responsible for overseeing performance and enterprise risk management. They provide guidance on performance and enterprise risk management 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 organisational functions or operating units support the organisation 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 enterprise risk management 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 last line of defence from the others: the high level of independence and objectivity (enabled by direct reporting to the board), and the authority to evaluate and make recommendations to management on the design and operating effectiveness of the organisation overall.

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Enterprise Risk Management

CONTINUED

Risk Culture

Risks are inherent in everyday activities, therefore VMIL establishes and communicates its risk appetite and its risk tolerance limits for appropriate risk taking to occur so that VMIL can make informed risk decisions, innovate and be competitive. In pursuit of its strategic objectives and initiatives, VMIL uses systems and the expertise of 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 core of VMIL's values and practices. This strong risk culture drives how team members approach their work and also guides decision making.

Risk Appetite

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

- We will maintain the highest ethical and professional standards when dealing with all stakeholders
- We will consider the needs of our members and seek to serve the communities in which we operate
- We will protect our capital base and will not introduce any new strategies, products or services that place our long-term value at risk
- We will maintain 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 credit risk, market risk, and liquidity risk. Financial Risks arise from to a lack of robust credit management practices; inadequate assessment of financial strategies; or lack of effective cash flows and cost management needed to: (a) maximise cash availability, (b) reduce uncertainty of currency, interest rate, credit, and other financial risks, or (c) move cash funds quickly and without loss of value to wherever they are needed most.

a. Market Risks – the risk that the fair value of future cash flows of financial instruments 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 securities in the market. These arise from changes in interest rates, foreign exchange rates and equity prices and will affect the value of the holding in the financial instrument.

b. Liquidity Risk - is the risk of failing to meet demands and commitments to provide funds to customers and other third parties. Wholesale and retail funding are monitored to ensure that there is no excessive concentration in future maturities, which enhances VMIL's ability to refinance maturing liabilities. VMIL's management of liquidity and funding risk aims to always ensure that there are sufficient liquid resources to cover cash flow mismatch and/or fluctuation in funding, to retain public confidence and to enable VMIL to meet its financial obligations as they fall due even during stressful economic environments. VMIL also has a contingency funding plan in place to cope with any extreme or sudden outflow.

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

Strategic Risk - The risk of loss arising from VMIL adopting the wrong business strategy, failure to properly execute business strategy, or respond to industry, economy, or technological changes.
VMIL aims to mitigate strategic risk through an integrated business strategy, risk appetite and capital planning process; tracking of strategic initiatives and deliverables; investment in processes, systems, and people to support new business development 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 ensures that effective controls exist at the three levels of defense. The earlier the controls are established in the risk journey, the more effective the risk detection and mitigation mechanism will be.

Periodic assessments of all facets of VMIL's operational risks bring more relief to its organisational management. It is crucial to remain risk-ready by gauging regulatory obligations, investing in technology infrastructure, skills, competencies, processes, and business decisions. VMIL aims to mitigate people-risk through a rigorous onboarding process, combined with talent management systems.

Development of customer interface and services is very importance, however, VMIL is also aware of external threats, in particular cybercrime attacks designed to deny access to systems and to compromise or misuse the data and assets held on VMIL's systems.

Compliance Risk – The risk of exposure to legal penalties, financial forfeiture, and material loss an organisation 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 aims to ensure that it delivers fair customer outcomes and meets prudential requirements. VMIL's risk and compliance function is responsible for identifying regulatory developments and assisting team members in understanding the required regulatory changes, within requisite time scales.

VMIL remains risk-ready by gauging regulatory obligations, investing in technology infrastructure, skills, competencies, processes, and business decisions.

MD&A

Our Operations

Operations and Client Services Support

In 2023, VMIL efficiently processed over 314,000 client requests, resulting in the generation of transformational wealth exceeding $11 billion. Navigating a dynamic and challenging business environment, our Continuous Improvement Programme (CIP), initiated in 2020, remained a cornerstone of our operations throughout the year.

We were keenly focused on process transformation and optimisation. **Our plans aimed to:**

- Introduce more customer self-service channels
- Automate routine transaction requests for expedited delivery
- Enhance interoperability among our systems
- Simplify and streamline operating policies and practices
- Fortify internal controls and quality assurance
- Foster a culture of continual improvement

In pursuit of these objectives, we enhanced our IPO Edge system to facilitate debt offers, began development of our Loan Edge tool, and upgraded the Client Portal to offer expanded functionalities. We welcomed a Business Transformation Manager and an Assistant Manager for Internal Controls & Quality Assurance.

Looking ahead to 2024, our 'north star' is customer adaptability. To achieve this, our primary focus is on executing a self-serve strategy tailored to empower our clients. **This will include:**

- User-Friendly Platforms
- Personalisation
- Security Measures
- Online Customer Support
- Self-Service Tools and Features
- Educational Resources
- Mobile Accessibility
- Feedback Mechanisms
- Knowledge Repository
- Straight Through Processing

Through this approach, we aim to provide clients with greater control over their interactions, fostering independence and engagement.

Information Communication Technology (ICT)

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

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

The ICT Unit also supported the implementation of various critical systems to enhance the productivity and efficiency of our internal team members and business units.

Information Security

Information/ Cybersecurity remains a top concern for business leaders both locally and internationally. Financial institutions continued to be at the forefront of industries that faced attacks from cyber criminals.

There were a record number of reported Information/ Cybersecurity breaches globally in 2023. Several companies suffered widescale disruption in their services costing millions of dollars in lost revenue and recovery costs.

Locally, 2023 saw the re-emergence of Ransomware attacks with several businesses reporting compromises to their systems. The need to put in measures to comply with the Jamaica Data Protection Act accelerated and the legislation was made effective December 1, 2023. This piece of legislation will create a significant shift in the way 'Personally Identifiable Information' is collected, processed, and stored by businesses in Jamaica.

The VMIL understands the Information/Cybersecurity and Data Protection risks of the environment in which it operates and is committed to the mitigation of these risks through the implementation of policies and procedures, technologies, provision of training for team members and continued compliance reviews and monitoring.

We regard Information/Cybersecurity and Data Protection as an important management issue. 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 customers and team members.

Challenges

The most significant challenges faced by the VMIL in 2023 were the fallout from breaches suffered by some of the global partners with whom there are integrations; and defending the organisation against ransomware attacks. The Information Security and IT teams spent significant time installing updates/patches, conducting threat hunting exercises as well as validation and verification that the organisation did not suffer breaches as a result of the increased threats faced.

Like many other financial institutions, the VMIL faced the challenge of attackers attempting to compromise its systems. In 2023 over 3 million attempts to compromise its systems were detected. None of these attempts were successful. This increase in attempts represents a 50% increase over the previous year and coincides with the trend escalation globally.

Accomplishments

In 2023 the team focused heavily on updating several technologies, policies and procedures. These include:

- Removal of outdated and unpatched systems and applications
- Upgrade of Vulnerability and Patch Management Systems
- Frequent testing and compliance reviews (Including Vulnerability and Penetration Testing)
- Periodic Risk Assessment and Reviews
- Conduct Proactive Threat Hunting Exercises
- Implementation of Phishing Simulation exercises
- Upgraded Data Loss Prevention Systems
- Implemented Data Subject Access Request and Consent Management Systems
- Implementation of Security Audit Tools for the Azure Cloud Environment.

Training and sensitisation of our team members continued to be a significant area of focus to mitigate threats.

Training in 2023 focused on...

- Data Privacy and Protection
- Identifying and Protecting against Phishing Emails
- Protecting against Ransomware

For 2024, the team will advance the full implementation and operationalisation of the Data Protection Act 2020. They will also introduce new and updated technologies, and upgrade existing systems and applications to further improve security.

Our Digital Transformation Journey

VMIL significantly advanced our digital agenda in 2023, drawing us closer to our vision of becoming a fully integrated and digitally transformed entity. Our focus is on aligning our digital strategy with key objectives, emphasising service and operational efficiencies. We intend

MD&A

Our Operations

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to achieve this by prioritising the delivery of an exceptional client experience across our digital touchpoints.

Throughout 2023, we continued our commitment to digitisation and automation. We channeled our energy into enhancing internal processes and bolstering our digital capabilities through the automation of data streams, fostering digital skills/culture, agile training/certification, and the scaling of agility throughout the enterprise.

Enhancing the Digital Experience of our Clients

Ensuring a positive experience for our clients on our digital channels is important to us. Consequently, the ongoing digitalisation of our products and services, along with the introduction of new digital capabilities, remained a priority.

To enhance the services offered via our Client Portal, we completed the **Client Management System Wealth Online Phase 2** project and commenced Phase 3 of that initiative to provide new features and product enhancements. Our data analytics capabilities were improved to streamline access to key data for decision making.

We maintained our focus on digitalising our internal processes, and made enhancements to key processes that impact service delivery to our clients. Our clients are now able to access 78.95% of our services digitally while doing 87.34% of their transactions on digital channels. Our digital programmes in 2024 will continue the drive for greater efficiency and improved self-service capabilities through the use of new digital metrics that focus on an end-to-end digital experience for our clients and team members.

Enhancing the Digital Capabilities of our People and the Organisation

Cultivating a digital culture and enhancing the skills of our workforce are imperative for elevating the organisation's digital IQ and driving sustainable growth. Our commitment to our team members remains a cornerstone of our transformation, with the ultimate goal of transitioning VMIL from merely 'doing digital' to 'being digital'. To achieve this, we continued the expansion of our comprehensive internal training programme and certification initiative which covered Agile, Design Thinking, and Data Analytics, along with courses tailored for our digital collaboration platform, Office 365. These have not only increased the productivity of our existing resources but have also positively influenced key metrics and performance indicators.

In advancing our Data Analytics capabilities, substantial progress has been made towards automating data streams to inform decision making. In 2024, the implementation of an agile Data Governance Framework for the entire VM Group will put VMIL on a path to improved data management and value creation. Our aim is to bolster our application of data to key processes, provide targeted data insights for our corporate projects and initiatives, and enable a more precise data-driven approach to product and service delivery, driving growth of the company.

Beyond 2024, we envision our transformation into a digitally advanced organisation. Clients can anticipate the introduction of a comprehensive online onboarding and additional self-service automations, all aimed at providing an exceptional experience across our digital touchpoints.

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Overview of **Business Lines**

Asset Management

Overall, assets under management via VM Wealth Management's Unit Trust Funds contracted during the year, similar to the decline in the local industry's Collective Investment Scheme funds under management (FUM). This was driven by factors such as investors moving to relatively less volatile, higher yielding investment alternatives, as well as the general fall in asset values. We anticipate that our fixed income portfolios should benefit from the higher yielding investments, going forward, in-line with our strategy to extend the Funds maturity profile. Additionally, we remain cautiously optimistic that local equities will show signs of recovery towards the fourth quarter of 2024 when interests rates could start to taper.

The Asset Management team remains focused on continuous improvement as we strive to offer attractive returns, and industry leading financial solutions to our clients. In 2024 we are looking to expand the Unit to include specialised staff to assist in bringing focus to growing FUM and create niche products directed at asset classes which historically do well.

Major Wins for 2023

The year was marked by successful onboarding of our Asset Manager locally, and the recruitment of a Country Manager to lead our strategic regional expansion efforts on the ground in Barbados.

The acquisition of the Republic Funds (Barbados) Inc's (RFI) suite of mutual fund products in Barbados was well advanced at the end of 2023 (completed in January 2024) and we are proud that VM Wealth Funds Ltd. received its licensing approval from the Financial Services Commission, (FSC) Barbados. This strategic initiative was completed in the first quarter of 2024.

With the support of the Capital Markets Units, the VM Wealth Classic Property Portfolio's existing 12 months bond was successfully refinanced during the year. This is an indication of the confidence that key business partners and creditors have in the Property Fund's ability to deliver competitive returns and performance, driven by its growing real estate portfolio.

Unit Financial Performance

The US equities market presented bouts of opportunities despite the broader market being driven primarily by mega-cap technology stocks. Our disciplined approach to investing resulted in our VM Wealth Global Equities Portfolio emerging as the leading US equities Unit Trust portfolio among its industry peers. This portfolio returned more than 21% to investors for 2023. Furthermore, 5 of our Unit Trust Portfolios outperformed their respective benchmarks.

The size of the VM Wealth Classic Property Portfolio's real estate portfolio increased by J$1.1 billion over 2022, reflecting a marked increase in property value appreciation. This was influenced by a combination of factors such as, a high demand for local real estate, especially in the areas where our properties are located, which have driven property values higher.

Member & Client Focus: Transforming the Lives of our Clients in 2023

Our Asset Management Unit produced positive results for our Private Managed Fund clients. Our team's above standard service delivery, sound investment recommendations and decisions, collectively contributed to our clients benefitting from enhanced portfolio performance and maintaining a well-diversified investment portfolio mix.

Principal Focus for 2024

The Asset Management team remains focused on continuous improvement as we strive to offer attractive returns, and industry leading financial solutions to our clients. Furthermore, as we aim to make a greater contribution to increasing the wealth and financial knowledge of individuals, despite the challenging operating environment, we are deliberately focused on improving on our 6th position in market share.

In 2024 we also anticipate the full launch of our Real Estate Development Fund. This fund, spurred by an active real estate market, seeks to offer further diversification to our clients who demand options in the real estate space.

MD&A

Bond, Equity and **Digital Assets Trading**

Overview of the Bond and Equity Markets

For 2023, the global bond market saw a decline in bond prices on account of the Federal Reserve increasing interest rates. Rates were increased four times, moving the policy rates from a range of 4.25%-4.50% to a range of 5.25%-5.50%. On the local side, the central bank maintained rates at an elevated level of 7.00%. The US Federal Reserve and the BOJ alike, have been using interest rates as a tool to stem inflation. Given the inverse relationship between bond prices and interest rates, bond prices declined during the year. In periods of high interest rates, money market securities tend to out-perform capital markets fixed income securities and equities. This was certainly seen in 2023 and the JSE Combined Index declined by 8%. Notwithstanding, the Trading team was able to increase revenue from bond trading activities by 23% year-over-year and Equity Commission increased by 19.46%.

Focus on Investor Education

The Trading team was deliberate in efforts to increase education around digital assets as well as traditional investments. The Senior Manager for the department, Denise Marshall-Miller presented at a Digital Assets Trading Session and moderated a panel discussion on Digital Assets at the Annual Capital Markets Conference, both hosted by the JSE. Team members partnered with institutions such as the University of West Indies and Kingston College Young Investors Club to present investment opportunities, participated in a podcast on Fixed Income Securities and mentored students on evaluating listed companies.

Principal Focus for 2024

Looking ahead, the Trading team remains committed to providing sound recommendations and executing trades to help our clients achieve their investment objectives. We continue to arm ourselves with market intelligence by placing interest on making decisions based on quality valuations and macroeconomic factors. Our aim in 2024 is to increase our market share in all asset classes. This will be facilitated by the restructuring of our team to facilitate additional markets currently being explored and extensive growth in counterparty reach.

We continue to arm ourselves with market intelligence by placing interest on making decisions based on quality valuations

MD&A

Treasury

The Board approved a capital injection for $1.5 billion in 2023, which was delivered in October. This is intended to facilitate trading opportunities and private equity investments, in a bid to strengthen not only our profitability but also diversify our revenue streams. Up to the end of the year the full amount was held in short term investments, averaging yields of just under 10%, pending deployment in 2024 to higher yielding investment opportunities.

The decision was taken in 2023 to review the growth of the repurchase agreement business. Year-over-year, the repo book remained relatively flat. In 2024 we will target a $1 billion reduction to facilitate redirection of the capital used for collateral support to alternative activities that will drive greater revenue growth.

Overview of the Treasury Market in 2023

Highlights of the Treasury market for 2023 were as follows:

1. We focused on reducing our risk exposure and duration, while providing liquidity to maintain required regulatory ratios. Global bond prices rallied in the last two months of the year as optimism increased around a potential rate pull back in the US amid improved global inflation. Considering this, bond trading remained bearish as prices remained lower than in 2022, resulting in a shortage of trading opportunities. In 2024, we will continue to monitor the market for opportunities while being mindful of the need to not re-enter the market too soon.

2. Foreign exchange (FX) rate swings were even throughout the year. The first 6 months were split evenly with appreciations in February, March and June while the latter 6 months saw depreciation in July, September, and October. The FX rate depreciated from 151.01 at the end of 2022 to end 2023 at 154.27, a 2.11% rate of depreciation. Competing liquidity requirements usurped opportunities from currency movements. In 2024, more focus will be placed on capitalising on currency opportunities.

3. In 2023, inflation fluctuated, though outside of the annual target. the trend for 2023 suggests that inflation is being contained. The BOJ responded by holding the policy rate at 7%, which impacted our cost of borrowing.

Impact on the Business

The impact on the business of the events of 2023 included:

1. The proprietary portfolios declined due to bonds remaining 'under water'. This was a continuation from 2022 as asset prices worsened in the first half of the year.

2. The increase in interest rates carried over from 2022, resulting in an increase in cost for the repo product. As a result, spreads narrowed resulting in a reduction in Net Interest Income.

3. Although the BOJ held rates constant, liquidity in the market for Jamaican dollars was concentrated in short term placements. The shortage of funds for tenures longer than a week resulted in increased cost of funding, further impacting interest income.

Main Initiatives for 2024

For 2024 the unit will:

1. Increase commission charged for primary market trades
2. Create a new Repo Product for lower balances and shorter tenors to improve gap ratios and complement the strategy to reduce the repo portfolio
3. Reduce repo rates offered and maintain an average of 5% on Jamaican dollar products and 4% on US dollar products
4. Increase foreign currency gains through more concentrated focus on strategies to take advantage of swings in the exchange rate

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Corporate Finance Unit

The impact of high interest rates on financial institutions' net interest margin resulted in many institutions reporting poorer performance compared to the prior period in 2022. This was also true for VMIL. While the Corporate Finance Unit did a fair job of maintaining its spreads on the Loan Portfolio, the impact of the high interest rate environment was felt in lower fee income. Deals were impacted by the cost of borrowing from the capital markets, where the actions of the BOJ were effective in crowding out private funding. BOJ certificates of deposits (CDs) hovered around 10% for much of 2023, meaning that the cost of private funding would be 200 to 400 basis points above these funds. Therefore, institutions needing capital to pursue business opportunities would defer these opportunities until the cost of funds became more favourable.

Fee income was also impacted by the performance of the JSE, where the combined Main and Junior Market Indices declined by approximately 6.0%. The fall in the major indices weighed on valuations and resulted in a number of portfolio positions reporting mark-to-market losses for 2023. As a result, planned IPOs were deferred based on expected lower valuations, the performance of IPOs in 2023, as well as those for other newly listed companies from 2022.

Furthermore, investors became more risk averse, which reduced their interest in relatively attractive, unsecured securities with higher yields. The change in risk appetite meant investors were less bullish on first-time capital market issuers or companies not listed on the stock exchange.

In short, capital markets transactions were significantly challenged, making the wins for the year all the more worthy and worthy of celebrating.

The major wins for 2023 are:

- Raised J$11.4 billion for VMFG
- Raised J$7.5 billion for VMIL and VMWM Unit Trust
- Raised J$2.7 billion to execute a leverage buyout for the acquisition of Island Car Rentals
- Significantly advanced the development of our proprietary software for managing our margin loan portfolio
- Made significant updates to Wealth IPO Edge

For 2023, the Corporate Finance Unit reported a fee income of J$381.0 million. This was 33.84% below the prior year's performance of J$575.0 million and approximately 50.0% below the budget for the fiscal year. The reason for the poor performance was largely a result of macroeconomic and microeconomic factors. The macroeconomic factors have already been highlighted; however, the microeconomic factors were due to our inability to close a number of transactions successfully. Where we have been able to close transactions successfully, they took much too long, and where we have been able to close them in a timely manner, we were unsuccessful in raising the full amounts mandated. Other microeconomic factors included team disruptions due to staff turnover, changing risk appetite internally and among investors. We have already identified areas for improvement and have already turned our gaze to 2024. We have bigger deals in our pipeline. We are targeting a minimum of 3 private equity deals; we have a large number of mezzanine transactions; and we have made significant changes to the deal syndication and distribution playbook.

We completed the acquisition of Island Car Rentals Limited Jamaica, the Caribbean's largest car rental company by fleet, and Jamaica Rental Company Limited, both over 50-year-old family businesses, on behalf of ICR Holdings Limited. This transaction was transformative not only because it allowed Island Car Rentals Limited, which is also the largest indigenous car rental company, to remain in the hands of Jamaicans, but it also impacted the lives and livelihoods of the new owners and employees of the company and has engendered partnership that is expected to be fruitful for years to come.

In 2023, we also made it easier for clients to execute more capital markets transactions via VM Wealth IPO Edge by improving functionality on the platform to allow us to now execute rights issues and preference shares (private and public offers). As such, the VM Wealth IPO Edge now allows our clients to subscribe for:

- IPOs (ordinary and preference shares)
- Rights issues
- Private placement of preference shares

We also completed the development of our proprietary margin loan to aid in the assistance and management of the margin loan portfolio. This will improve customer experience in ways such as timely and periodic delivery of statements, as well as the provision of statements in real time.

The team supported SMEs such as Carbyne Capital Investments Limited with their first significant debt raise. This debt raise of J$120 million is relatively small, however, the impact it is expected to have on the business is significant. Carbyne is expected to continue to blaze a trail in Jamaica, not only for SMEs but also large corporations.

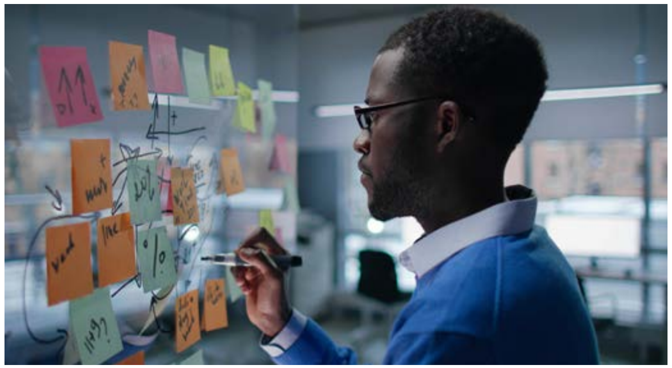
In 2023, Jamaica Small and Medium Enterprises Fund Limited (JASMEF) closed its first private equity deal. VMIL is bullish on private equity, and our strategy of pursuing strategic, opportunistic private equity deals is further bolstered by our investment in JASMEF, which we expect to generate significant returns over the medium term.

MD&A

Sales and Client Relations

In 2023, our Sales and Client Relations team celebrated significant victories despite challenging economic conditions and evolving industry landscapes.

Through strategic planning and proactive engagement, our sales team not only met but exceeded expectations, demonstrating their expertise in navigating the challenges in the financial landscape. By leveraging market insights provided by our research team and fostering strong client relationships, we were able to achieve 340% of our local equities target, 114% of our capital markets target and 91% of our repurchase agreements target. The team's performance in these areas not only bolstered our revenue streams but also strengthened our position as a trusted financial partner.



In tandem with our sales team's performance, 2023 saw the implementation of several strategic initiatives geared towards enhancing the operation of the unit. Among these initiatives was a comprehensive restructuring of the department designed to sharpen our focus on different segments of the market. This will facilitate greater agility and responsiveness allowing us to tailor our approach to meet the unique needs of the different segments we serve.

Our continued engagement with the diaspora community was also a priority for our team in 2023. Through targeted outreach and collaboration, we forged several partnerships in the diaspora and notably expanded our reach. We also made significant strides expanding our footprint across the English-speaking Caribbean, capitalising on emerging opportunities and ending the year with new funds of over US$20 million from this initiative.

Fostering strong client relationships is a staple for success in our industry and we ensured this through a series of targeted engagements. Through these engagements, we not only solidified existing relationships but also forged new connections, expanding our network and enhancing our reputation.

Our commitment to excellence was also demonstrated by the hiring of exceptional talent in 2023. These additions have brought valuable expertise and fresh perspectives, enriching our collective capabilities.

MD&A

Research, Business Planning **& Investor Relations**

The Research, Business Planning & Investor Relations team's commitment to comprehensive analysis, foresight, and adaptability empowered investment decisions, enabling us to navigate volatility and seek sustainable growth opportunities for our clients.

The team has actively engaged with investors, shareholders, analysts, and the broader financial community to provide a clear understanding of our company's strategies, performance, and future prospects. We facilitated open dialogues, responded promptly to inquiries, and organised informative sessions to keep stakeholders well informed.

The year was marked by unprecedented market shifts influenced by geopolitical events, technological advancements, and evolving consumer behaviour. The team meticulously tracked these developments, providing valuable insights into their impacts on various sectors and asset classes.

Major Wins for 2023

- Presented to Investment Clubs – Kingston College & Wolmer's Boys School
- Successful conclusion of the Inaugural VMIL Internship Programme
- VMIL received the Green Business Jamaica
- Certification from the National Environment and Planning Agency (NEPA)
- Manager Nicole Adamson joined the PSOJ Energy, Environment and Climate Change Committee
- Presentations made at UTech Banking & Finance Forum, UWI Computing Society
- Articles published: "Derivative trading and financial engineering" published in Observer June 25, 2023; "The Consequences of a Squeezed Jamaican Middle-Income Group" published in Observer on September 6, 2023; "Art Investing for Everyday Investors" published in Observer on September 6, 2023

Transforming Our Clients' Experiences

Equity Market Insights

Equity markets experienced notable fluctuations driven by changing consumer preferences, regulatory shifts, and global economic conditions. Our team conducted in-depth sectoral analyses, identifying emerging trends and opportunities for value investments. Notably, our research highlighted the potential of sustainable and tech-oriented companies, aligning with the growing ESG investment trend.

Fixed Income and Bond Markets

The fixed income landscape faced challenges amid fluctuating interest rates and inflationary pressures. Our department's analyses emphasised the importance of diversified bond portfolios and actively managed strategies to mitigate risks while seeking steady returns for our clients.

Alternative Investments

The team delved into alternative investment classes, including real estate, and private equity. Our research evaluated the risks and potential returns associated with these assets, offering clients a well-rounded perspective on diversification beyond traditional investment avenues.

Communication Strategies

Embracing diverse communication channels, we disseminated pertinent information through press releases, investor presentations, quarterly reports, and interactive webinars. These efforts aimed to ensure transparent and accessible communication, enabling stakeholders to make informed decisions about their investments.

Financial Performance Highlights

Throughout the year, our department played a pivotal role in articulating the company's financial performance, highlighting key milestones, achievements, and strategic initiatives. We provided comprehensive insights into financial results, emphasising the company's resilience and adaptability in navigating market challenges.

MD&A

Research, Business Planning & Investor Relations

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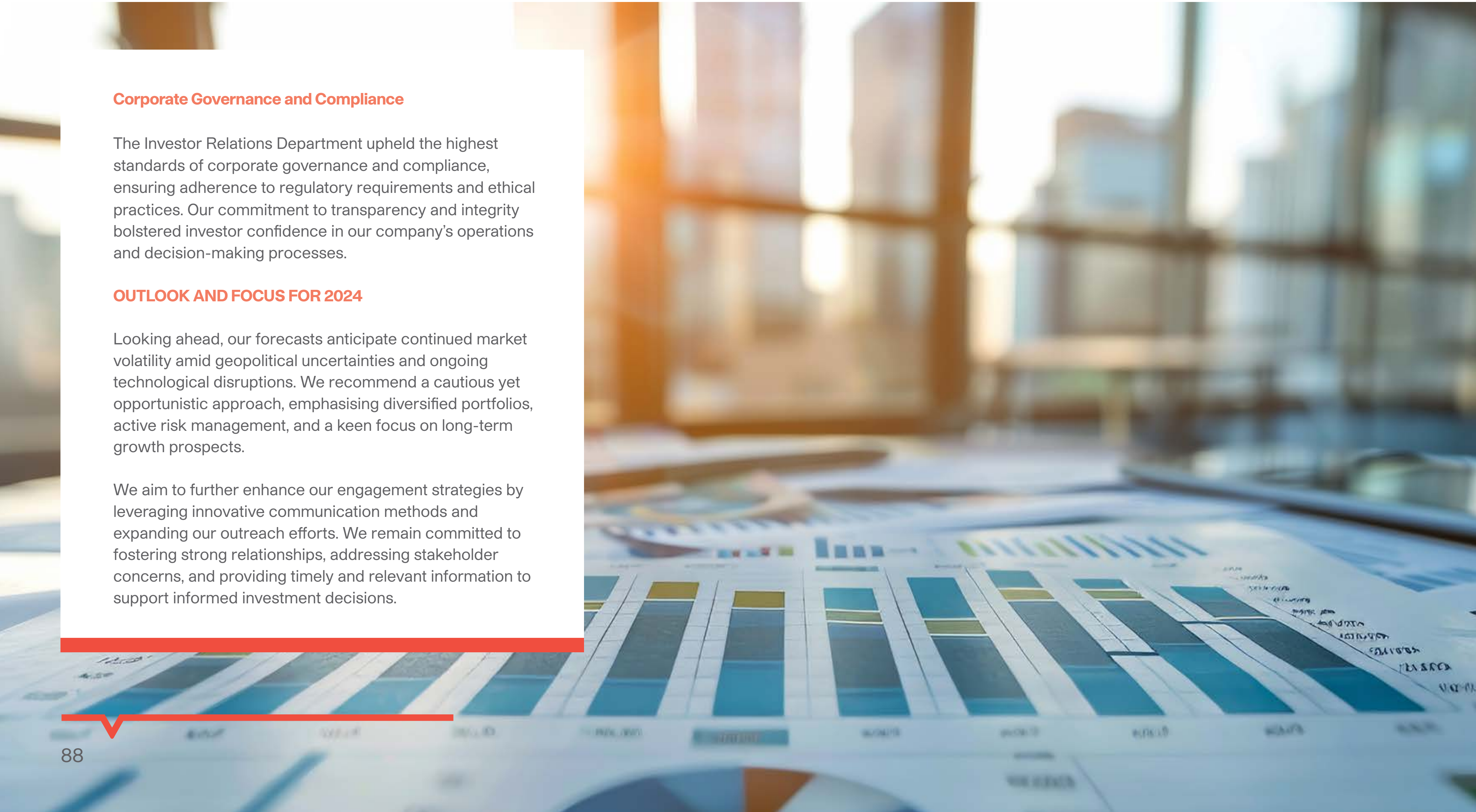


Corporate Governance and Compliance

The Investor Relations Department upheld the highest standards of corporate governance and compliance, ensuring adherence to regulatory requirements and ethical practices. Our commitment to transparency and integrity bolstered investor confidence in our company's operations and decision-making processes.

OUTLOOK AND FOCUS FOR 2024

Looking ahead, our forecasts anticipate continued market volatility amid geopolitical uncertainties and ongoing technological disruptions. We recommend a cautious yet opportunistic approach, emphasising diversified portfolios, active risk management, and a keen focus on long-term growth prospects.

We aim to further enhance our engagement strategies by leveraging innovative communication methods and expanding our outreach efforts. We remain committed to fostering strong relationships, addressing stakeholder concerns, and providing timely and relevant information to support informed investment decisions.

MD&A

Risk and Compliance

In 2023, the Risk and Compliance team experienced noteworthy advancements. The team's progress was supported by an enhanced risk culture and increased awareness among VMIL stakeholders. Significantly, there was a noticeable rise in awareness regarding risk and compliance throughout the organisation, fostering a more proactive mindset in recognising and addressing potential threats. These achievements were underscored by the business surpassing the targeted Enterprise Risk Management (ERM) score of 80, reaching an impressive 86.

In 2023, the team conducted thorough risk assessments for both the organisation and specific departments. This effort yielded insights into potential risks and identified areas for improvement. The team proceeded to formulate and execute crucial risk models such as Capital Management, Value-at-Risk (VAR), and Liquidity Risk models. These models significantly bolstered VMIL's capability to assess, monitor, and control diverse financial risks. Moreover, the team played a pivotal role in elevating the stress testing framework.

In 2023, the Risk and Compliance team excelled in elevating risk maturity, accomplishing notable successes. They crafted comprehensive policies, delivered precise training initiatives, and instituted a systematic schedule for reassessing risks. By incorporating opportunity assessment into their operations and promoting transparency, the team initiated a formal process for reporting risk issues. Actively involving business leaders, conveying explicit linkages, and outlining key risk priorities to the Risk Committee, they demonstrated a commitment to effective communication. Through defining competencies and advocating for a balanced risk

perspective, the team played a significant role in advancing VMIL's risk management framework throughout the year.

The team also conducted a comprehensive risk assessment, focusing on fostering a compliance culture, developing a strategic roadmap, and creating robust policies. They emphasised clear KPIs and KRIs, detailed dashboards, and effective communication and training. Additionally, the team provided compliance support for revenue initiatives, implemented AI and automation solutions, and prioritised continuous learning.

While the team does not directly interact with clients, their work has a significant impact on the lives of VMIL's clients by ensuring the products and services offered are aligned with their risk appetites. This is particularly evident in the unit trust portfolio products, where the risk level of instruments within each portfolio is carefully matched with the investors' risk tolerance. Similarly, the capital raising services provided by VMIL are underpinned by robust risk management practices, protecting both the institution and its clients.

The team welcomed a new Assistant Manager for Risk Management in 2023, enhancing its expertise. Team members attended key conferences, contributing to industry best practices awareness, and participated in skills development programmes. Enrolment in the VMG Stepping-Up-To-Management course aimed to equip individuals with essential knowledge and leadership skills. Additionally, active engagement in the VMG Compliance Awareness training ensured ongoing compliance with regulatory requirements, reinforcing our commitment to maintaining a well-rounded and skilled team capable of meeting industry demands.

In 2024, the team will place greater emphasis on the upsides of risk events in addition to the downsides to create a more balanced risk management framework. This shift acknowledges that not all risks are detrimental, and some can present opportunities for growth and innovation.

Secondly, the team will collaborate more closely with revenue-generating departments, ensuring greater alignment between risk management and business objectives to produce more risk-adjusted returns. This collaborative approach will foster a more holistic understanding of the risks and opportunities within the organisation.

In 2024, the organisation will place significant emphasis on increasing efficiency through the implementation of automation and artificial intelligence tools. The team will also enhance training and communication around urgent events. This will ensure that all team members are equipped to respond effectively to unforeseen challenges and maintain the integrity of the risk management framework.

MD&A

Carilend

It has been a year of continued rapid growth for Carilend. During 2023 Carilend grew its loan book under management by 63% passing the milestones of BBD$150,000,000 of loans approved in Barbados, over JMD$1,500,000,00 approved in Jamaica and over TTD$125,000,000 in Trinidad and Tobago. In total, Carilend has approved over US$100,000,000 in loans since inception.

During 2023 Carilend partnered with its first institutional investor of BBD funding with Proven Wealth, from the Cayman Islands (part of the Proven Group of Jamaica). Proven committed up to BBD$10,000,000 of funding to be invested alongside the 1,100-plus peer-to-peer lenders already investing in loans in Barbados.

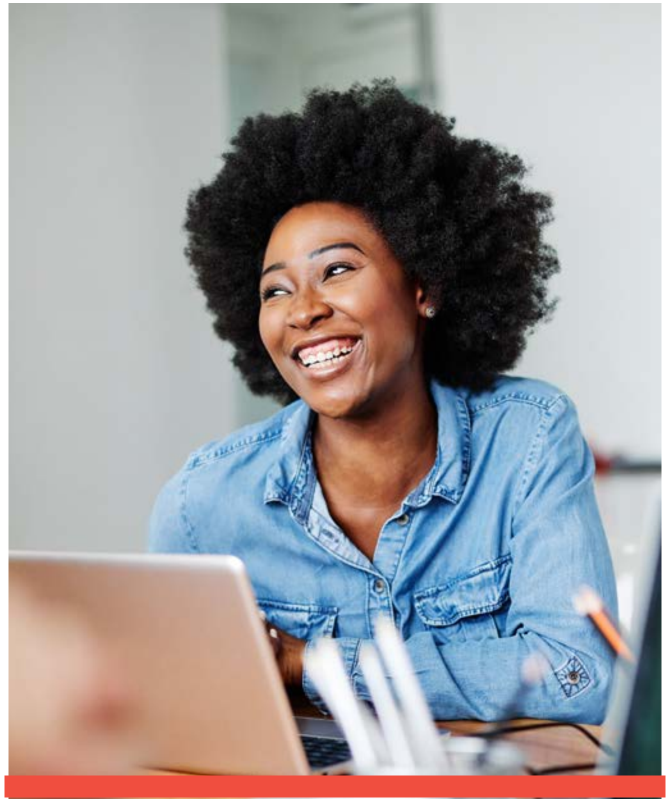
Carilend has revolutionised borrowing and lending in the Caribbean, providing fully online lending services. Their first success was the introduction of a peer-to-peer lending service in Barbados, the phenomenon that has swept the globe and is now a billion-dollar industry in the UK, US and Canada. Peer-to-peer lending connects people who have money to lend with people who want to borrow money in a secure online marketplace. 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' direct to Jamaican consumers in partnership with the VM Group. This partnership approach was replicated for the 2022 launch of Carilend in Trinidad and Tobago with Massy Finance, part of the Massy Group of Companies with the launch of the 'Instaloan powered by Carilend'.

Carilend uses advanced technology systems to digitise and automate the borrowing and investing process to give consumers a convenient, easy, and fast experience. One example of this innovation is where Carilend has made the whole process of applying for a loan a 15-minute, simple process, from any device (even on your phone) including uploading your supporting documents. Other areas include automating the KYC processes and having a proprietary credit scorecard working on an automated credit decision engine to speed customer loan approvals.

Carilend now has over 77,000 registered users and has received over 50,000 completed loan applications so far across its 3 countries of operation. All loan applications are processed within one working day. In Barbados, loans are funded by over 1,100 lenders with investments ranging from B$25 to B$3,000,000+ invested in peer-to-peer loans via Carilend alongside the institutional funding provided by Proven. Carilend reports average returns for lenders in Barbados of 8.37% on their current investments. This high return has led to more than B$11,500,000 in interest paid to lenders.

Carilend is planning further significant growth in 2024, including expansion of its footprint, working with new institutional lending partners, partnerships with various Caribbean fintechs and traditional financial institution partners while continuing to rapidly grow its loan book in Barbados, Jamaica and Trinidad & Tobago.



MD&A

Kingston Properties

For the financial year ended December 2023, KPREIT rental income was reported at an all-time high of US$3.83 million against US$3.35 million for the prior year or an equivalent increase of 14.66%. Higher rental income was primarily underpinned by growth in the asset portfolio following the acquisition of Grand Harbour commercial centre and adjoining parking lot in the Cayman Islands during the third quarter of the year. This was further compounded by higher rental rates for properties located in Jamaica and Cayman while maintaining a tenant occupancy level of 98% across its portfolio.

Operating Expenses which include administrative and direct property costs grew marginally by 3.35% year over year to US$1.53 million in tandem with the expansion of its property portfolio. This resulted in a net improvement in Operating Income of 22.65% above US$1.99 million for 2022 to close the year at US$2.45 million. It is noteworthy that KPREIT's Net Operating Income Margin have maintained an upward trend over the last five financial years, including 2023 which amounted to 60.04%. (FY19:39.87%, FY20:48.35%, FY21:56.97%, FY22:55.67%).

As part of KPREIT business strategy, in August 2023 the company sold its 7 Dumfries Road property located in New Kingston, Jamaica for a net consideration of US$1.6 million resulting in an approximate gain of 30%. The property was purchased in March 2021 for US$1.25 million.

Reducing its exposure in the US real estate market, for the first quarter, KPREIT finalised the sale of its last condo unit located in Miami which resulted in a sharp increase in gains from disposal to US$447.78 thousand for financial year 2023 above US$276.09 thousand reported for the prior year. As a result, Operating Income climbed by 22.54% over US$4.36 million to close at US$5.35 million for the year.

Net finance cost exceeded last year by 41.30% to US$680.82 thousand after being tempered by higher finance income of US$282.02 thousand. This resulted in record net earnings amounting to US$4.64 million, 22.31% above the prior year which translated to earnings per share (EPS) of $0.0053.

Year over year total assets was higher by 26.24% to US$70.95 million, which was predominately driven by an increase in investment properties as the company expanded its property portfolio towards the latter part of the year with the acquisition of 36 apartments at the Grand Harbour Commercial Centre in the Cayman Islands totalling 37,726 square feet. This was the fifth and largest investment made to date.

Similarly, total liabilities significantly exceeded the prior year's result by 98.75% to close at US$1.42 million above US$918.53 thousand. This was chiefly associated with elevated loan balance as KPREIT seeks to maintain generous liquidity to take advantage of investment opportunities as they arise, and to finance acquisitions. Considering the macroeconomic environment, KPREIT renegotiated the interest rate terms on its loan books reducing and refinancing all variable loans from floating rate to fixed rate. This is within the context that the company expected interest rates to stay higher for longer before the end of the stipulated period.

For the 2023 financial year end, total equities remained relatively flat with a marginal uptick of 7.36% over US$44.59 million to close at US$47.87 million for the year. Higher retained earnings were the main cause which climbed to US$14.46 million when compared to US$11.17 million representing an equivalent 29.34% increase.

The company's loan covenant delineates a debt-to-equity ratio of 5:1, which suggests that debt should not be more than 5 times its equity counterpart and a loan to value ratio of 70%. Consequently, for the financial year end, debt to equity climbed to 46% while the loan to value ratio stood at 38% and current ratio dipped to 1.84%. Similarly, Cash and Cash Equivalents plunged to US$3.17 million which, when compared to US$4.62 million, represents a 31.43% decline. However, Funds from Operations saw an uptick to US$1.4 million or by 4% underscored by the company's recent acquisition.

HIGHLIGHTS FOR 2023

- Acquired a majority stake of the Grand Harbour Commercial Centre and adjoining parking lot
- Eliminated all variable rate debt between 4Q 2022 and 1Q 2023
- In January 2023 the last condo unit held in South Florida was sold
- In August 2023, the sale of the Dumfries Road property in Kingston, Jamaica

Our People

The VMIL's team of caring experts are committed to our mission and they are our principal competitive advantage. The company is focused on attracting and retaining top talent and optimising their engagement as we collectively pursue our bold ambitions.

Talent Management

VMIL in 2023 remained focused on creating personalised career experiences for our workforce, through our accelerated development programme where team members were provided with experience-based learning across the organisation at different levels, allowing them, to acquire or sharpen capabilities required to perform various functions associated with their present or future roles.

We continued to execute on our mandate of futureproofing the workforce, through the implementation of building bench strength of our second tier leadership; building an integrated sales force to support our integrated selling strategy; developing competencies for mission critical and specialised roles; and strengthening the data analytics capabilities throughout the organisation through role specific and self-paced learning programmes. Additionally, we continued to focus on international coaching certification and an international leadership training programme for some of our leaders.

In keeping with our succession plans for senior leadership roles and key positions, we continued to focus on development and readiness for future roles with approximately 7% of team members being promoted to higher roles including leadership roles, while nearly 40% of vacancies were filled internally.

Team Member Well-being, Wellness and Engagement

Our Hybrid, Remote and Flexible Work arrangements , remained a key part of our progressive Human Resources agenda that supports diversity, inclusion and a results focused culture. This is an important component of our Employer of Choice strategic objective. VMIL continued to embed its team member wellbeing into the day-to-day operations of the organisation, with the implementation of an online Employee Wellbeing and Assistance Programme as well as the continuation of well-being, wellness and engagement activities.

HREI Survey and Results

The VMWM achieved an HREI score of 74% and a participation score of 80%, consistent with the VM Group. The results show that the VM Group continued to achieve exceptional HREI results when compared to Global Engagement Trends, which averaged 68%. Culture, Employee Value Proposition, Opportunity and Leadership had the highest scores of the 6 key drivers.

Total Rewards

Our Total Rewards Framework recognises the value of the total team member experience as the basis for a compelling Team Member Value Proposition aligned with attaining our strategic goals. The framework reflects a focus on business results, individual performance, contribution and accountability, team member well-being and development.

The integration of our Talent Management and Total Rewards Framework focused on specific initiatives including the implementation of the revised Group surplus share component of our incentive plan; our variable pay structures for our sales and revenue generating teams; cost reduction initiatives and productivity incentive schemes for our sales support and non-support roles.

High **Performers**

We would like to introduce four outstanding Team Members who consistently exceeded expectations and made significant contributions throughout 2023.

Q1: Shamara Donaldson, Senior Client Services Support Officer

Shamara Donaldson, a Senior Client Services Support Officer in Operations, exemplifies Owning Up through her adaptability, meticulous attention to detail, and strong collaborative spirit. In 2023, Shamara played a key role in streamlining new account onboarding through automation. This initiative not only improved efficiency but also enhanced the client experience. Her commitment to excellence reflects her personal motto, inspired by Philippians 4:13: "I can do all things through him who strengthens me."

Q2: Jermaine R. Daley, Corporate Finance Officer

Jermaine R. Daley, Corporate Finance Officer in Capital Markets is a skilled problem solver who Levels Up by consistently delivering high performance. Jermaine's dedication to progress is evident in his development of a more efficient financial modelling tool for the Capital Markets Unit. This innovative solution has streamlined processes and empowered the team to make informed decisions more effectively. Jermaine's motivation is fueled by the powerful quote from Denzel Washington: "Ease is a greater threat to progress than hardship!"

Q3: Tolleto Hunter, Senior Compliance Officer

Tolleto Hunter, a Senior Compliance Officer in the Risk & Compliance Unit, is a champion for ethical conduct and a strong advocate for fostering a culture of compliance. Through innovative training methods, increased collaboration across departments, and proactive problem-solving, Tolleto spearheaded a significant improvement in the unit's customer satisfaction score. This resulted in the highest departmental score (85%) as recognised in the VM Group's 2023 Internal Customer Satisfaction Survey Report. Tolleto's dedication is driven by a desire to serve others, uphold ethical and regulatory standards, and ultimately honour God in all aspects of life.

Q4: Tenisha Edwards, Asset Management Officer

Tenisha Edwards, an Asset Management Officer in the Treasury and Asset Management Department, embodies strong interpersonal and planning skills. Beyond her core responsibilities, Tenisha serves as President of the "Modern Movers," an employee initiative focused on team building. Throughout 2023, Tenisha spearheaded several successful events that fostered camaraderie and collaboration. Her dedication is fueled by the support and inspiration she receives from her mother, a phenomenal woman in her own right.

2023 **Pictorial Highlights**

Financial Statements

DECEMBER 31, 2023

VM Investments
Limited

KPMG

Independent Auditors' Report

To the Members of **VM Investments Limited**

Report on the Audit of the Financial Statements (Continued)

Opinion

We have audited the financial statements of VM Investments Limited ("the company") comprising the separate financial statements of the company and the consolidated financial statements of the company and its subsidiary ("the group"), set out on pages 101 to 184, which comprise the group's and company's statements of financial position as at December 31, 2023, the group's and company's income statements, statements of comprehensive income, changes in equity and 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, 2023, 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 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 company in accordance with the International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants, including International Independence Standards (IESBA Code), and we have fulfilled our other 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.

Emphasis of Matter

We draw attention to:

1. Note 35 to the financial statements which indicates that the comparative information presented for the financial year as at and for the year ended December 31, 2022 has been restated. Our opinion is not modified in respect of this matter.

2. Note 17(i) of the consolidated financial statements, which describes that the Group breached the Return on Asset ratio and Interest Coverage ratio for the fixed and variable corporate bonds in issue, resulting in the outstanding bonds becoming payable immediately. Subsequent to the reporting date, the group was able to attain the minimum requirements for the financial covenants and immediate repayment is no longer required. Our opinion is not modified in respect of this matter.

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.

Independent Auditors' Report

To the Members of **VM Investments Limited**

Report on the Audit of the Financial Statements (Continued)

1. Fair value of level 3 investments

The key audit matter (see notes 6 and 29)	How the matter was addressed in our audit
A significant portion of the group's and the company's investments are classified as level 3 measurements. These investment securities measured at fair value are instruments for which quoted prices are not available. Valuation of these investments uses unobservable inputs which requires significant estimation uncertainties.	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. • Assessing the adequacy of the disclosures, including the degree of estimation uncertainty involved in determining fair values.

2. Investment in associate

The key audit matter (see note7)	How the matter was addressed in our audit
The determination of the final fair value of net assets acquired in Kingston Properties Limited ("the investee") for which the group and the company holds 23% involves some judgement. During the year, the carrying value was re-measured and consequently the pro-visional values previously reported were updated. There is a risk that the values as determined in the purchase price allocation may not be appropriate and/or impaired.	Our procedures in this area included the following: • Involving our valuation specialists in evaluating the group's purchase price allocation in the investee and impairment assessment including assessing the appropriateness of the assumptions and methodology used. • Comparing the group's assumptions to externally derived data as well as our assessment of key inputs such as discount rate. • Assessing the adequacy of the disclosures, including the re-measurement of the carrying value of the investment.

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 company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing 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 100, 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 Reid.

KPMG

Chartered Accountants
Kingston, Jamaica

May 20, 2024

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 or 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 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 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 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 Investments Limited

Consolidated Statement of **Financial Position**

December 31, 2023

	Notes	2023 $'000	2022 $'000 Restated*	2021 $'000 Restated*
ASSETS				
Cash and cash equivalents	4	877,655	1,192,249	763,557
Resale agreements	5	1,570,685	752,147	4,051,332
Investment securities	6	18,276,764	17,560,235	20,399,811
Net investment in finance leases	18(b)	92,727	131,462	155,836
Loans receivable	9	4,651,668	5,467,380	3,482,266
Accounts receivable:				
Customers	10	46,336	84,172	48,279
Others	10	437,810	600,678	493,574
Income tax recoverable		267,112	-	-
Deferred tax asset	11	1,220,314	1,140,709	438,670
Property, plant and equipment	12	109,594	136,085	908,198
Intangible asset – computer software	13	236,869	300,477	183,079
Interest in associates	7	1,719,260	1,576,198	-
TOTAL ASSETS		29,506,794	28,941,792	30,924,602
LIABILITIES AND EQUITY				
Liabilities:				
Due to ultimate parent company	30(c)	124,362	-	-
Due to ultimate parent society	30(c)	-	441,722	216,040
Borrowings	17	8,657,029	7,494,118	5,521,964
Accounts payable:				
Customers	14	1,183,303	1,467,714	1,348,553
Brokers		176,930	68,724	20,414
Others	14	881,051	1,217,225	963,220
Lease liabilities	18(a)	54,961	66,345	76,650
Repurchase agreements	15	14,356,049	15,589,291	19,649,270
Income tax payable		-	88,781	39,216
Employee benefit obligation	16(b)(i)	22,900	19,300	32,700
TOTAL LIABILITIES		25,456,585	26,453,220	27,868,027
Equity:				
Share capital	19	707,887	707,887	707,887
Share premium	19(a)	24,000	24,000	24,000
Investment revaluation reserve	20(a)	(980,570)	(806,791)	488,333
Other reserve	20(b)	58,372	21,800	11,267
Retained earnings		2,690,520	2,491,676	1,775,088
Equity attributable to owners of the company		2,500,209	2,438,572	3,006,575
Non-controlling interest	21	1,550,000	50,000	50,000
TOTAL EQUITY		4,050,209	2,488,572	3,056,575
TOTAL EQUITY AND LIABILITIES		29,506,794	28,941,792	30,924,602

The financial statements on pages 101 to 184 were approved for issue by the Board of Directors on May 17, 2024 and signed on its behalf by:

____________________ Director

Courtney Campbell

____________________ Chief Executive Officer

Rezworth Burchenson

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

*See note 35

VM Investments Limited

Company Statement of **Financial Position**

December 31, 2023

	Notes	2023 $'000	2022 $'000
ASSETS			
Cash and cash equivalents	4	101,332	216,608
Resale agreements	5	215,454	-
Investment securities	6	2,451,736	1,102,331
Net investment in finance leases	18(b)	92,727	131,462
Loans receivable	9	4,651,668	5,467,380
Accounts receivable:			
Others	10	107,775	143,629
Income tax recoverable		113,216	-
Deferred tax asset	11	61,723	16,573
Intangible asset – computer software	13	35,074	41,360
Interest in subsidiary	8	1,009,500	1,009,500
Interest in associates	7	1,719,260	1,576,198
TOTAL ASSETS		10,559,465	9,705,041
LIABILITIES AND EQUITY			
Liabilities:			
Due to ultimate parent society	30(c)	-	193,593
Due to subsidiary company	30(c)	122,538	110,805
Borrowings	17	8,569,092	7,406,181
Accounts payable:			
Others	14	362,797	826,347
Repurchase agreements	15	438,000	195,152
Income tax payable		-	59,922
TOTAL LIABILITIES		9,492,427	8,792,000
Equity:			
Share capital	19	707,887	707,887
Share premium	19(a)	24,000	24,000
Other reserve	20(b)(ii)	37,772	-
Retained earnings		297,379	181,154
TOTAL EQUITY		1,067,038	913,041
TOTAL EQUITY AND LIABILITIES		10,559,465	9,705,041

The financial statements on pages 101 to 184 were approved for issue by the Board of Directors on May 17, 2024 and signed on its behalf by:

______________________ Director
Courtney Campbell

______________________ Chief Executive Officer
Rezworth Burchenson

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

VM Investments Limited

Income Statements

Year ended December 31, 2023

	Notes	Group 2023 $'000	Group 2022 $'000 Restated*	Company 2023 $'000	Company 2022 $'000
Interest income calculated using the effective interest method	22	1,510,059	1,399,914	687,295	453,270
Other interest income:					
Finance leases	22	8,889	11,711	8,889	11,711
Convertible preference shares	22	164,375	-	164,375	-
Other	22	11,592	-	4,288	-
Interest expense	22	(1,647,094)	(1,158,587)	(866,411)	(422,236)
Net interest income/(expense)		47,821	253,038	(1,564)	42,745
Fees and commissions income	24	944,933	1,011,760	71,699	35,940
Gains from investment activities	23	866,343	946,527	181,427	328,165
Rent		-	74,828	-	74,828
Dividend income		15,561	33,045	8,928	10,860
Other income		7,878	17,752	-	4,283
Other operating revenue		1,834,715	2,083,912	262,054	454,076
Net interest income and other operating revenue		1,882,536	2,336,950	260,490	496,821

	Notes	Group 2023 $'000	Group 2022 $'000 Restated*	Company 2023 $'000	Company 2022 $'000
Operating expenses					
Staff costs	25	(912,572)	(764,675)	-	-
Impairment (losses)/recoveries on financial assets	28(b)	(150,376)	120,326	(208,248)	(3,412)
Other operating costs	26	(810,701)	(756,325)	(165,652)	(232,941)
		(1,873,649)	(1,400,674)	(373,900)	(236,353)
Share of profits in associate	7	164,411	-	164,411	-
Profit before income tax		173,298	936,276	51,001	260,468
Income tax credit/(charge)	27	25,546	(219,688)	65,224	(7,023)
Profit for the year attributable to shareholders of the company		198,844	716,588	116,225	253,445
Earnings per share					
(expressed as ¢ per share)	32	13¢	48¢		

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

*See note 35

VM Investments Limited

Statements of **Comprehensive Income**

Year ended December 31, 2023

		Group		Company	
	Notes	2023 $'000	2022 $'000 Restated*	2023 $'000	2022 $'000
Profit for the year		$198,844	716,588	116,225	253,445
Other comprehensive income (OCI): Items that will never be classified to profit or loss:					
Net losses on investment in equity instruments designated at fair value through OCI	6	(298,350)	(64,770)	-	-
Remeasurement of employee benefit obligation	16(b)(i)	(1,800)	15,800	-	-
Deferred tax on remeasurement of employee benefit obligation	11	600	(5,267)	-	-
		(1,200)	10,533	-	-
		(299,550)	(54,237)	-	-

		Group		Company	
	Notes	2023 $'000	2022 $'000 Restated*	2023 $'000	2022 $'000
Item that may be reclassified to profit or loss:					
Currency translation adjustment on investment in associate	7, 20(b)(ii)	37,772	-	37,772	-
Change in fair value of debt securities at fair value through OCI, net of expected credit losses	29(c)	186,855	(1,845,531)	-	-
Deferred tax on change in fair value of investment securities measured at fair value through OCI	11	(62,284)	615,177	-	-
		124,571	(1,230,354)	-	-
Total other comprehensive (loss)/income net of tax		(137,207)	(1,284,591)	37,772	-
Total comprehensive income/(loss) for the year attributable to shareholders of the company		61,637	(568,003)	153,997	253,445

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

*See note 35

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

VM Investments Limited

Consolidated Statement of **Changes in Equity**

Year ended December 31, 2023

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, 2021, as previously reported	**707,887**	**24,000**	**488,333**	**11,267**	**2,397,736**	**3,629,223**	**50,000**	**3,679,223**
Prior year adjustments (note 35)	-	-	-	-	(622,648)	(622,648)	-	(622,648)
Balances at December 31, 2021, as restated	**707,887**	**24,000**	**488,333**	**11,267**	**1,775,088**	**3,006,575**	**-**	**3,056,575**
Comprehensive income:								
Profit for the year, as previously reported	-	-	-	-	641,616	641,616	-	641,616
Prior year adjustments (note 35)	-	-	-	-	74,972	74,972	-	74,972
Profit for the year, as restated	-	-	-	-	716,588	716,588	-	716,588
Other comprehensive income:								
Change in fair value of investment securities, net of deferred tax	-	-	(1,230,354)	-	-	(1,230,354)	-	1,230,354)
Change in fair value of equities at FVOCI	-	-	(64,770)	-	-	(64,770)	-	(64,770)
Remeasurement of employee benefit obligation, net of deferred tax	-	-	-	10,533	-	10,533	-	10,533
Total other comprehensive loss	-	-	(1,295,124)	10,533	-	(1,284,591)	-	(1,284,591)
Total comprehensive loss for the year	-	-	(1,295,124)	10,533	716,588	(568,003)	-	(568,003)
Balances at December 31, 2022, as restated	**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 investment securities, net of deferred tax	-	-	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 loss	-	-	(173,779)	36,572	-	(137,207)	-	(137,207)
Total comprehensive loss 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**

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

VM Investments Limited

Company Statement of **Changes in Equity**

Year ended December 31, 2023

	Share capital [note (19)] $'000	Share premium $'000	Other reserve [note 20(b)] $'000	Retained earnings (accumulated deficit $'000	Total $'000
Balance at December 31, 2021	**707,887**	**24,000**	**-**	**(72,291)**	**659,596**
Comprehensive income:					
Profit for the year, being total comprehensive income for the year	-	-	-	253,445	253,445
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 profit 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**

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

VM Investments Limited

Statements of **Cash Flows**

Year ended December 31, 2023

	Notes	Group 2023 $'000	Group 2022 $'000 Restated*	Company 2023 $'000	Company 2022 $'000
Cash flows from operating activities:					
Profit for the year		198,844	716,588	116,225	253,445
Adjustments for:					
Depreciation	12	27,331	36,590	-	8,645
Amortisation of intangible asset	13	76,096	52,820	6,286	515
Share of profits in associate	7	(164,411)	-	(164,411)	-
Impairment losses/(gains) on financial assets		150,376	(120,326)	208,248	3,412
Change in employee benefit obligation	16(b)(ii)	1,800	2,400	-	-
Amortisation of transaction costs		77,961	25,766	77,961	25,766
Unrealised exchange gains on foreign currency balances		(46,606)	(13,425)	(5,496)	(1,706)
Gains from investment activities		(951,906)	(711,070)	(266,990)	(92,708)
Gain from property/share swap		-	(235,457)	-	(235,457)
Interest income	22	(1,694,915)	(1,411,625)	(864,847)	(464,981)
Dividend income		(15,561)	(33,045)	(8,928)	(10,860)
Interest expense	22	1,640,972	1,151,386	866,411	422,236
Interest expense on lease liabilities	18(a)	6,122	7,201	-	-
Income tax (credit)/charge	27	(25,546)	219,688	(65,225)	7,023
		(719,443)	(312,509)	(100,766)	(84,670)
Changes in operating assets and liabilities:					
Due to ultimate parent company		(317,360)	-	(193,593)	-
Due to ultimate parent society		-	71,455	-	71,455
Due to subsidiary company		-	-	11,733	(304,787)
Loans receivable		608,251	(2,011,900)	608,251	(2,011,900)
Resale agreements		(809,380)	3,291,174	(215,454)	692,631
Accounts receivable		192,996	(522,077)	34,057	(70,959)
Accounts payable		(522,173)	1,029,773	(444,576)	233,880
Repurchase agreements		(1,413,873)	3,856,321)	242,848	-
		(2,980,982)	(2,310,405)	57,500	(1,474,350)

	Notes	Group 2023 $'000	Group 2022 $'000 Restated*	Company 2023 $'000	Company 2022 $'000
Interest received		1,973,940	1,690,089	785,510	485,678
Interest paid		(1,649,666)	(1,136,639)	(885,785)	(422,553)
Income tax paid		(391,428)	(263,251)	(72,855)	(9,752)
Net cash used in operating activities		(3,048,136)	(2,020,206)	(230,630)	(1,420,977)
Cash flows from investing activities:					
Acquisition of property, plant and equipment	12	(840)	(3,553)	-	(2,020)
Acquisition of intangible asset	13	(12,488)	(170,218)	-	(41,875)
Investment in finance leases		-	(20,641)	-	(20,641)
Proceeds from finance lease repayments		41,000	45,782	41,000	45,782
Purchase of investment securities		(41,414,672)	(7,168,629)	(2,087,831)	(1,978,044)
Proceeds from sale of investment securities		41,462,858	7,842,110	1,006,602	2,525,868
Investment in subsidiary	8	-	-	-	(900,000)
Investment in associated company	7	-	(25,229)	-	(25,229)
Dividends received		77,251	33,045	70,617	10,860
Net cash provided by/(used in) investing activities		153,109	532,667	(969,612)	(385,299)
Cash flow from financing activities:					
Proceeds from issue of shares		1,500,000	-	-	-
Proceeds from loans and borrowings	17	6,630,358	2,381,805	6,630,358	2,346,577
Repayment of loans and borrowings	17	(5,411,905)	(426,880)	(5,411,905)	(426,880)
Transaction costs incurred on loans and borrowings	17	(133,503)	(8,537)	(133,503)	(8,537)
Payment of lease liabilities	18(a)	(11,384)	(10,305)	-	-
Net cash provided by financing activities		2,573,566	1,936,083	1,084,950	1,911,160
Net (decrease)/increase in cash and cash equivalents		(321,461)	448,544	(115,292)	104,884
Cash and cash equivalents at beginning of year		1,192,249	763,557	216,608	114,443
Effect of exchange rate fluctuations on cash and cash equivalents held		6,867	(19,852)	16	(2,719)
Cash and cash equivalents at end of year	4	877,655	1,192,249	101,332	216,608

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

*See note 35

VM Investments Limited

Notes to the **Financial Statements**

Year ended December 31, 2023

1. Identification

VM Investments Limited ("the company") is incorporated and domiciled in Jamaica. The company's registered office is located at 8-10 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 to VM Financial Group Limited.

VM Financial Group Limited is license 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 and investment advisory services and money market dealing.

The company's activities are administered by its subsidiary company. 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".

The company holds a 30% interest in Carilend Caribbean Holdings Limited (Carilend), a company incorporated in Barbados that facilitates peer-to-peer lending. This investment is accounted for under the equity method as an associated company in the consolidated financial statements. No goodwill was identified as part of the transaction.

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.

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 comply with the Jamaican Companies Act ("the Act").

New and amended standards that became effective during the year:

- Amendments to IAS 1 Presentation of Financial Statements are effective for annual periods beginning on or after January 1, 2023. The amendments help companies provide useful accounting policy disclosures.

The key amendments to IAS 1 include:

- requiring companies to disclose their material accounting policies rather than their significant accounting policies;
- clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and
- clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements.

The amendments are consistent with the refined definition of material:

"Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements".

The group adopted Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) from January 1, 2023. The amendments require the disclosure of "material" rather than "significant" accounting policies. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements (note 34).

2. Basis of preparation (continued)

(a) Statement of compliance (continued)

- Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors are effective for periods beginning on or after January 1, 2023, with early adoption permitted. The amendments introduce a new definition for accounting estimates: clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty.

The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that a company develops an accounting estimate to achieve the objective set out by an accounting policy.

Developing an accounting estimate includes both:

- selecting a measurement technique (estimation or valuation technique) – e.g. an estimation technique used to measure a loss allowance for expected credit losses when applying IFRS 9 Financial Instruments; and

- choosing the inputs to be used when applying the chosen measurement technique e.g., the expected cash outflows for determining a provision for warranty obligations when applying IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

The effects of changes in such inputs or measurement techniques are changes in accounting estimates.

- Amendments to IAS 12 Income Taxes are effective for annual reporting periods beginning on or after January 1, 2023, with early adoption permitted. The amendments clarify how companies should account for deferred tax on certain transactions – e.g., leases and decommissioning provisions.

  The amendments narrow the scope of the initial recognition exemption (IRE) so that it does not apply to transactions that give rise to equal and offsetting temporary differences. As a result, companies will need to recognise a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and a decommissioning provision.

For leases and decommissioning liabilities, the associated deferred tax asset and liabilities will need to be recognised from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date.

If a company previously accounted for deferred tax on leases and decommissioning liabilities under the net approach, then the impact on transition is likely to be limited to the separate presentation of the deferred tax asset and the deferred tax liability.

For all other transactions, the amendments apply to transactions that occur after the beginning of the earliest period presented.

The group adopted Amendments to IAS 12 Income Taxes from January 1, 2023. The amendments narrow the scope of the initial recognition exemption to exclude transactions that give rise to equal and offsetting temporary differences- e.g. leases. The amendments did not result in any changes to accounting policies themselves (note 34). Instead, the key impact for the group relates to disclosure of the deferred tax assets and liabilities recognised (note 11).

New and amended standards issued but not yet effective:

At the date of authorisation of these financial statements, certain new and amended standards and interpretations have been issued which were not effective for the current year and which the group has not early-adopted. The group has assessed them with respect to its operations and has determined that the following are relevant:

- Amendments to IAS 1 Presentation of Financial Statements apply retrospectively and is effective for annual periods beginning on or after January 1, 2024. The amendments clarify how a company classifies a liability that can be settled in its own shares – e.g. convertible debt.

VM Investments Limited

Notes to the **Financial Statements** CONTINUED

Year ended December 31, 2023

2. Basis of preparation (continued)

(a) Statement of compliance (continued)

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

When a liability includes a counterparty conversion option that involves a transfer of the company's own equity instruments, the conversion option is recognised as either equity or a liability separately from the host liability under IAS 32 Financial Instruments: Presentation. The IASB has now clarified that when a company classifies the host liability as current or non-current, it can ignore only those conversion options that are recognised as equity.

Companies may have interpreted the existing IAS 1 requirements differently when classifying convertible debt. Therefore, convertible debt may become current.

- Amendments to IAS 1 Presentation of Financial Statements apply retrospectively for annual reporting periods beginning on or after January1, 2024. The amendments promote consistency in application and clarify the requirements on determining if a liability is current or non-current. The amendments require new disclosures for non-current liabilities that are subject to future covenants.

- IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information, is effective for annual reporting periods beginning on or after January 1, 2024 (with earlier application permitted as long as IFRS S2 Climate-related Disclosures is also applied).

  IFRS S1 requires an entity to disclose information about its sustainability-related risks and opportunities that are useful to users of general-purpose financial reports in making decisions relating to providing resources to the entity. The standard also requires entities to disclose information about all sustainability-related risks and opportunities that could reasonably be expected to affect the entity's cash flows, its access to finance or cost of capital over the short, medium or long term (collectively referred to as sustainability-related risks and opportunities that could reasonably be expected to affect the entity's prospects').

  IFRS S1 prescribes how an entity prepares and reports its sustainability-related financial disclosures and sets out general requirements for the content and presentation of those disclosures so that the information disclosed is useful to users in making decisions relating to providing resources to the entity.

  Under the standard, entities are required to provide disclosures about the governance processes, controls and procedures, strategies and processes the entity uses to monitor, manage and oversee sustainability-related risks and opportunities, as well as, the entities performance and progress towards any targets the entity has set or is required to meet by law or regulation.

- IFRS S2 Climate-related Disclosures, is effective for annual reporting periods beginning on or after January 1, 2024 (with earlier application permitted as long as IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information is also applied).

  IFRS S2 requires entities to disclose information about its climate-related risks and opportunities that is useful to users of general-purpose financial reports in making decisions relating to providing resources to the entity. The standard also requires entities to disclose information about climate-related risks and opportunities that could reasonably be expected to affect the entity's cash flows, its access to finance or cost of capital over the short, medium or long term (collectively referred to as climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects). IFRS S2 applies to climate-related physical risks; climate-related transition risks; and climate-related opportunities available to an entity.

  IFRS S2 sets out the requirements for disclosing information about an entity's climate-related risks and opportunities. Under the standard, entities are required to provide disclosures about the governance processes, controls and procedures, strategies and processes the entity uses to monitor, manage and oversee climate-related risks and opportunities, as well as, the entities performance and progress towards any targets the entity has set or is required to meet by law or regulation.

2. Basis of preparation (continued)

(a) Statement of compliance (continued)

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

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.

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(f)(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.

VM Investments Limited

Notes to the **Financial Statements** CONTINUED

Year ended December 31, 2023

2. Basis of preparation (continued)

(d) Use of estimates and judgements (continued)

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 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:

(1) Impairment of the carrying value of interest in associate

Impairment of interest in associate is dependent upon management's internal assessment of future cash flows from the associate. That internal assessment determines the amount recoverable value of the associate. The estimate of the amount recoverable from future operations of the associate is sensitive to the discount rates used (note 7).

(2) 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 significant proportion of the group'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).

3. Material accounting policies

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

The group adopted Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) from January 1, 2023. The amendments require the disclosure of "material" rather than "significant" accounting policies. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements (note 34).

(a) 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.

  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; 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.

Notes to the **Financial Statements** CONTINUED

3. Material accounting policies (continued)

(a) Financial instruments (continued)

(i) Recognition and initial measurement (continued)

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 three measurement categories:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest ('SPPI'), and that are not designated at FVTPL, are measured at amortised cost. The carrying amount of these assets is adjusted by any expected credit loss allowance recognised and measured as described at [note 3(a)(vi)]. Interest income from these financial assets is included in 'Interest income' calculated using the effective interest method.

- Fair value through other comprehensive income (FVOCI): Financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flows represent solely payments of principal and interest, and that are not designated at FVTPL are measured 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.

VM Investments Limited

Notes to the **Financial Statements** CONTINUED

Year ended December 31, 2023

3. Material accounting policies (continued)

(a) Financial instruments - Classification, recognition, derecognition and measurement (continued)

(ii) Classification and subsequent remeasurement (continued)

Financial assets (continued)

(a) Debt instruments

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 fair value through other comprehensive income.

Gains and losses on equity investments at FVTPL are included in the 'Gains from investment activities' caption in the statement of profit or loss.

Deferred shares are measured at fair value on initial recognition and subsequently at amortised cost.

VM Investments Limited
Notes to the **Financial Statements** CONTINUED
Year ended December 31, 2023

3. Material accounting policies (continued)

(a) Financial instruments - Classification, recognition, derecognition and measurement (continued)

Financial liabilities
(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 recognized 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. 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;
- equity investment securities measured at FVTPL with fair value changes recognised immediately in profit or loss;
- debt securities measured at FVOCI; 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.

VM Investments Limited

Notes to the **Financial Statements** CONTINUED

Year ended December 31, 2023

3. Material accounting policies (continued)

(a) Financial instruments - Classification, recognition, derecognition and measurement (continued)

(iv) Measurement and gains and losses (continued)

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.

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 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.

3. Material accounting policies (continued)

(a) Financial instruments - Classification, recognition, derecognition and measurement (continued)

(iv) Measurement and gains and losses (continued)

(4) Accounts receivable

Accounts receivable are 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) 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 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.

(6) Accounts payable

Accounts payable are measured at amortised cost.

(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'.

VM Investments Limited

Notes to the **Financial Statements** CONTINUED

Year ended December 31, 2023

3. Material accounting policies (continued)

(a) Financial instruments - Classification, recognition, derecognition and measurement (continued)

(vi) Impairment (continued)

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.

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.

VM Investments Limited

Notes to the **Financial Statements** CONTINUED

Year ended December 31, 2023

3. Material accounting policies (continued)

(a) Financial instruments - Classification, recognition, derecognition and measurement (continued)

(vi) Impairment (continued)

Credit-impaired financial assets (continued)

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 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.

(b) Investment 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.

(c) 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.

(d) 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.

VM Investments Limited

Notes to the **Financial Statements** CONTINUED

Year ended December 31, 2023

3. Material accounting policies (continued)

(d) Property, plant and equipment (continued)

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
Buildings	40 years

Depreciation methods, useful lives and residual values are reassessed at each reporting date.

(e) Intangible asset – computer software and amortisation

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.

These assets are measured at cost less accumulated amortisation and, if any, impairment losses. The assets are amortised using the straight-line method over their useful lives, estimated between five and seven years. Amortisation methods, useful lives and residual values are reassessed at each reporting date.

(f) 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.

Notes to the **Financial Statements** CONTINUED

3. Material accounting policies (continued)

(f) Employee benefits (continued)

(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.

(g) 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

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.

(h) 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.

VM Investments Limited

Notes to the **Financial Statements** CONTINUED

Year ended December 31, 2023

3. Material accounting policies (continued)

(h) Impairment of non-financial assets (continued)

(i) Leases

At inception of a contract, the company 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.

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.

3. Material accounting policies (continued)

(i) Leases (continued)

(a) As a lessee (continued)

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

(j) 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.

(k) 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.

(l) Dividend incomes

Dividends are recognised in the income statement when the group's irrevocable right to receive payment is established

VM Investments Limited

Notes to the Financial Statements CONTINUED

Year ended December 31, 2023

3. Material accounting policies (continued)

(m) 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
Equity trading 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.
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.

VM Investments Limited

Notes to the **Financial Statements** CONTINUED

Year ended December 31, 2023

4. Cash and cash equivalents

	Group		Company	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Bank accounts	857,988	1,176,733	101,332	216,608
Accounts with brokers	19,667	15,516	-	-
	877,655	1,192,249	101,332	216,608

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	
	2023 $'000	2022 $'000
Denominated in Jamaica dollars	1,135,000	329,000
Denominated in United States dollars [US$2,827,519 (2022: US$2,804,993)]	436,196	423,577
	1,571,196	752,577
Less allowance for expected credit losses [note 28(b)(iv)(d)]	(511)	(430)
	1,570,685	752,147

	Company	
	2023 $'000	2022 $'000
Denominated in Jamaica dollars	215,454	-
Less allowance for expected credit losses [note 28(b)(iv)(d)]	-	-
	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 14. At December 31, 2023, securities that the group and company held under repurchase arrangements had a fair value of $1,897,407,000 (2022: $1,052,283,000) and $228,928,000 (2022: $nil), respectively.

VM Investments Limited

Notes to the **Financial Statements** CONTINUED

Year ended December 31, 2023

6. Investment securities

	Group		Company	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Investment securities at fair value through profit or loss:				
Unquoted equities	77,280	81,250	77,280	77,182
Quoted equities	347,044	349,628	346,087	348,931
Convertible preference shares	1,163,244	-	1,163,244	-
Unit trusts:				
Unit Trusts	227,953	-	-	-
	1,815,521	430,878	1,586,611	426,113
Amortised cost:				
Deferred shares	-	410,647	-	410,647
Corporate bonds	766,080	62,466	766,080	62,466
Bank of Jamaica securities:				
J$ Certificates of deposit	50,000	-	50,000	-
Government of Jamaica securities:				
Benchmark investment notes	63,478	63,478	63,478	63,478
US$ bonds [US$Nil (2022: US$1,000,000]	-	151,008	-	151,008
	879,558	687,599	879,558	687,599
At fair value through other comprehensive income				
Quoted equities	510,000	808,350	-	-
Government of Jamaica securities:				
Treasury bills	-	2,003	-	-
Benchmark investment notes	5,446,669	5,617,917	-	-
US$ bonds [US$43,743,425 (2022: US$48,269,281)]	6,748,215	7,289,057	-	-
	12,194,884	12,908,977	-	-
Bank of Jamaica securities:				
J$ Certificates of deposit	306,873	-	-	-
Foreign government securities:				
US$ bonds [US$5,842,822 (2022: US$5,631,596)]	901,361	850,417	-	-
Other public sector securities [US$1,308,631 (2022: US$2,631,043)]	201,880	397,309	-	-
Corporate bonds [US$4,084,921 (2022: US$4,084,921)]	630,173	908,965	-	-
J$ Corporate bond	850,947	579,121	-	-
	1,481,120	1,488,086	-	-
	15,596,118	16,453,139	-	-
	18,291,197	17,571,616	2,466,169	1,113,712
Less allowance for impairment on instruments at amortised cost [note 28(b)(v)(d)]	(14,433)	(11,381)	(14,433)	(11,381)
	18,276,764	17,560,235	2,451,736	1,102,331
Allowance for impairment on investments at FVOCI [note 28(b)(v)(d)]	30,200	77,832	-	-

VM Investments Limited

Notes to the **Financial Statements** CONTINUED

Year ended December 31, 2023

6. Investment securities (continued)

Investment securities mature (exclude allowance for impairment), in relation to the reporting date, as follows:

Group 2023

	Within 3 month $'000	3 month to 1 year $'000	1 to 5 years $'000	More than 5 years $'000	No maturity $'000	Total $'000
Investment securities at fair value through profit or loss:						
Unquoted equities	-	-	-	-	77,280	77,280
Quoted equities	-	-	-	-	347,044	347,044
Convertible preference shares	-	-	-	-	1,163,244	1,163,244
Unit trusts	-	-	-	-	227,953	227,953
	-	-	-	-	1,815,521	1,815,521
At amortised cost:						
Corporate bonds	-	-	435,000	331,080	-	766,080
Bank of Jamaica securities	-	50,000	-	-	-	50,000
Benchmark investment notes	-	-	63,478	-	-	63,478
	-	50,000	498,478	331,080	-	879,558
At FVOCI:						
Quoted equities	-	-	-	-	510,000	510,000
	-	-	-	-	510,000	510,000
Debt instruments:						
BOJ securities	306,873	-	-	-	-	306,873
Benchmark investment notes	311,207	-	1,288,875	3,846,587	-	5,446,669
US$ 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	638,827	5,866,348	9,253,068	2,325,521	18,291,197

Group 2022

	Within 3 month $'000	3 month to 1 year $'000	1 to 5 years $'000	More than 5 years $'000	No maturity $'000	Total $'000
Investment securities at fair value through profit or loss:						
Unquoted equities	-	-	-	-	81,250	81,250
Quoted equities	-	-	-	-	349,628	349,628
	-	-	-	-	430,878	430,878
At amortised cost:						
Deferred shares	-	410,647	-	-	-	410,647
Corporate bonds	-	-	-	62,466	-	62,466
Benchmark investment notes	-	-	63,478	-	-	63,478
US$ bonds	-	151,008	-	-	-	151,008
	-	561,655	63,478	62,466	-	687,599
At FVOCI:						
Quoted equities	-	-	-	-	808,35	808,350
Debt instruments:						
Benchmark investment notes	400,775	-	1,364,544	3,852,598	-	5,617,917
Treasury bills	2,003		-	-	-	2,003
US$ bonds	-	-	1,160,145	6,128,912	-	7,289,057
Foreign government securities	-	-	372,801	477,616	-	850,417
Other public sector securities	-	-	397,309	-	-	397,309
Corporate bonds	554,298	99,524	255,142	579,122	-	1,488,086
	957,076	99,524	3,549,941	11,038,248	-	15,644,789
	957,076	661,179	3,613,419	11,100,714	1,239,228	17,571,616

VM Investments Limited

Notes to the **Financial Statements** CONTINUED

Year ended December 31, 2023

6. Investment securities (continued)

Investment securities mature (exclude allowance for impairment), in relation to the reporting date, as follows (continued)

Company 2023

	3 months to 1 year $'000	1 to 5 years $'000	More than 5 years $'000	No maturity $'000	Total $'000
Investment securities at fair value through profit or loss:					
Unquoted equities	-	-	-	77,280	77,280
Quoted equities	-	-	-	346,087	346,087
Convertible preference shares	-	-	-	1,163,244	1,163,244
	-	-	-	1,586,611	1,586,611
At amortised cost:					
Corporate bonds	-	435,000	331,080	-	766,080
Bank of Jamaica securities	50,000	-	-	-	50,000
Benchmark investment notes	-	63,478	-	-	63,478
	50,000	498,478	331,080	-	879,558
	50,000	498,478	331,080	1,586,611	2,466,169

Company 2022

	3 months to 1 year $'000	1 to 5 years $'000	More than 5 years $'000	No maturity $'000	Total $'000
Investment securities at fair value through profit or loss:					
Unquoted equities	-	-	-	77,182	77,182
Quoted equities	-	-	-	348,931	348,931
	-	-	-	426,113	426,113
At amortised cost:					
Deferred shares	410,647	-	-	-	410,647
Corporate bonds	-	-	62,466	-	62,466
Benchmark investment notes	-	63,478	-	-	63,478
US$ bonds	151,008	-	-	-	151,008
	561,655	63,478	-	-	687,599
	561,655	63,478	62,466	426,173	1,113,712

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 $36,000,000 (2022: $32,000,000) 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 $36,000,000 (2022: $32,018,794).

VM Investments Limited

Notes to the **Financial Statements** CONTINUED

Year ended December 31, 2023

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			
	Fair value		Dividend income Recognised	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
At beginning of year	808,350	873,120	-	-
Net fair value losses recognised during the year	(298,350)	(64,770)	-	22,185
At end of year	510,000	808,350	-	22,185

None of these investments were disposed of during the year ended December 31, 2023 (2022: Nil), and there were no transfers of any cumulative gains or losses within equity relating to these investments (2022: Nil). The change in fair value on these investments was $298,350,000 for the year ended December 31, 2023 (2022: $64,770,000).

Debt instruments designated at FVOCI

The following table shows the movement in the gross carrying value of debt instruments designated at FVOCI:

	Group	
	2023 $'000	2022 $'000
Balance at beginning of year	15,644,789	17,400,665
New debt instruments originated or purchased	39,335,842	5,190,585
Debt instruments derecognised	(39,989,142)	(4,702,606)
Purchased premiums amortised	(332,973)	(256,370)
Fair value gains/(losses) recognised during the year	226,575	(1,821,635)
Effect of changes in foreign exchange rates	201,027	(165,850)
Balance at end of year	15,086,118	15,644,789

7. Interest in associates

	Group and Company	
	2023 $'000	2022 $'000 restated
Carrying amount of interest in associates:		
Carilend Caribbean Holdings Ltd.	-	-
Kingston Properties Limited (KPREIT)	1,719,260	1,576,198
	1,719,260	1,576,198

VM Investments Limited

Notes to the **Financial Statements** CONTINUED

Year ended December 31, 2023

7. Interest in associates (continued)

Effective August 29, 2019, the company acquired 30% shareholding in Carilend Caribbean Holdings Ltd. (Carilend) at an initial cost of $106,103,000. Carilend's registered office is in St. Thomas, Barbados and its principal activity is the operation of a peer to peer lending platform which efficiently matches borrowers and lenders. The purpose of the acquisition is to generate dividend income and take a position in the fintech sub-sector.

The following table summarises the financial information of Carilend as included in its own unaudited financial statements as at and for the year ended December 31, 2023 adjusted for fair value adjustments. The financial statements of Carilend are denominated in United States dollars.

	Group and Company	
	2023 $'000	2022 $'000
Percentage ownership interest in Carilend	**30%**	**30%**
Non-current assets	1,004,656	1,034,215
Current assets	184,415	132,118
Total assets	1,189,071	1,166,333
Non-current liabilities	(1,633,486)	(1,573,032)
Current liabilities	(145,655)	(196,493)
Total liabilities	(1,779,141)	(1,769,525)
Net liabilities (100%)	(590,070)	(603,192)
Carrying amount of interest in Carilend	-	-
Revenue	430,903	255,837
Profit/(loss) from continuing operations	25,266	(91,998)
Share of profit/(loss) from continuing operations	-	-

In testing the carrying value of interest in associate for impairment, the recoverable amount is estimated based on its value-in-use. Where the recoverable amount exceeds the carrying amount, no impairment allowance is made. The recoverable amount of the interest in associate is arrived at by estimating the future cash flows and discounting these cash flows using long-term discount rates applicable to the countries in which the business operates. Future sustainable cash flows are estimated based on the most recent forecasts, after taking account of past experience. Projected cash flows are estimated over 5 years discounted to present value using a discount rate 18%.

Based on management's assessment, the recoverable amount of the interest in associate was less than the carrying amount; as such, the interest in associate was determined to be impaired and was written off in full.

The total of the unrecognised share of losses of the associate since the entity became an associate in August 2019 is $105,042,666 (2022: $112,801,894).

Effective December 30, 2022, the company acquired 23% shareholding in Kingston Properties Limited (KPREIT). The acquisition was effected via a swap transaction with the VM Wealth Unit Trust Property Fund (the Fund Manager being the wholly-owned subsidiary of the company).

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, 2023 adjusted for fair value adjustments. The financial statements of KPREIT are denominated in United States dollars.

VM Investments Limited

Notes to the **Financial Statements** CONTINUED

Year ended December 31, 2023

7. Interest in associates (continued)

	Group and Company	
	2023 $'000	2022 $'000
Percentage ownership interest in KPREIT	**23%**	**23%**

	Group and Company		
	2023 $'000	2022 $'000 As previously stated	2022 $'000 As restated
Non-current assets	10,322,387	7,546,587	7,242,310
Current assets	623,920	1,278,626	1,284,427
Total assets	10,946,307	8,825,213	8,526,737
Non-current liabilities	(3,221,889)	(1,545,566)	(1,552,650)
Current liabilities	(338,927)	(208,183)	(209,112)
Total liabilities	(3,560,816)	(1,753,749)	(1,761,762)
Net Assets (100%)	7,385,491	7,071,464	6,764,975
Group's share of net assets	1,698,664	1,626,437	1,555,944
Goodwill and intangible asset recognised on acquisition	20,596	-	20,254
Carrying amount of interest in KPREIT	1,719,260	1,626,437	1,576,198
Revenue	1,083,830	-	-
Profit from continuing operations	714,832	-	-
Share of profit from continuing operations	164,411	-	-

The following table provides a movement in the carrying value of KPREIT

	Group and Company	
	2023 $'000	2022 $'000
At beginning of year	1,576,198	-
Net assets recognised on acquisition	-	1,576,198
Share of profit from continuing operations	164,411	-
Currency translation adjustment	37,772	-
Dividends	(59,121)	-
At end of year	1,719,260	1,576,198

During the year, the purchase price allocation was completed for KPREIT. Consequently, the financial information obtained was updated to reflect the carrying value of the interest in associate that existed at the acquisition date. This has resulted in an adjustment to the previously reported carrying value of the interest in associate and the gain from property/share swap (see note 23).

The fair value of the interest in KPREIT indicated by its quoted price on the Jamaica Stock Exchange as at December 31 2023 was J$1,637,208,000 (2022: J$1,726,694,000).

The financial statements of KPREIT are denominated in United States dollars.

8. Interest in subsidiary

	Group and Company	
	2023 $'000	2022 $'000
Shares in subsidiary – VM Wealth Management Limited	1,009,500	1,009,500

VM Investments Limited
Notes to the **Financial Statements** CONTINUED
Year ended December 31, 2023

9. Loans receivable

	Group and Company	
	2023 $'000	2022 $'000
Margin loans	2,867,307	3,208,930
Corporate loans	2,073,731	2,337,600
Insurance premium financing	-	2,758
	4,941,038	5,549,288
Less allowance for impairment on instruments at amortised cost [note 28(b)(v)(d)]	(289,370)	(81,908)
	4,651,668	5,467,380

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 63% (2022: 100%) 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	
	2023 $'000	2022 $'000
At beginning of year	5,549,288	3,539,442
New loans granted	1,235,646	3,075,023
Loan repayments	(1,833,898)	(1,063,123)
Effect of changes in foreign exchange rates	(9,998)	(2,054)
At end of year	4,941,038	5,549,288

10. Accounts receivable - others

	Group		Company	
	2023 $'000	2022 $'000 Restated*	2023 $'000	2022 $'000
Customer receivables	46,336	84,172	-	-
Interest receivable	334,958	281,010	86,889	7,552
Withholding tax recoverable	-	102,272	-	80,246
GCT recoverable	1,954	80,246	1,954	5,623
Dividend receivable	1,311	3,853	1,311	3,853
Prepaid expenses	72,190	66,087	7,080	19,401
Other receivables	27,397	67,210	10,541	26,954
	437,810	600,678	107,775	143,629
	484,146	684,850	107,775	143,629

(a) The balances are reflected net of expected credit loss allowances as follows:

	Group	
	2023 $'000	2022 $'000 Restated*
At beginning of the year	241,637	315,934
Increase/(decrease) in allowance [note 28(b)]	10,321	(74,297)
At end of year	231,316	241,637

(b) Reconciliation of amounts due from related parties included in accounts receivable

	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

*See note 35

10. Accounts receivable - others (continued)

(b) Reconciliation of amounts due from related parties included in accounts receivable (continued)

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

Group 2022

	Included in interest receivable $'000	Other accounts receivable $'000	Total [note 30(c)] $'000
Due from ultimate parent society [note 30(c)]	-	11,249	11,249
Due from related parties [note 30(c)]	-	2,316	2,316

11. Deferred tax asset

Group 2023

	2022 $'000 Restated*	Recognised in other comprehensive income $'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 losses	(3,915)	-	1,531	(2,384)
	1,140,709	(61,684)	141,289	1,220,314

*See note 35

VM Investments Limited

Notes to the **Financial Statements** CONTINUED

Year ended December 31, 2023

11. Deferred tax (continued)

Group Restated 2022*

	2021 $'000 Restated*	Recognised in other comprehensive income $'000	Recognised in income (note 27) $'000	2022 $'000
Property, plant and equipment	27,386	-	4,851	32,237
Right-of-use assets	(21,914)	-	3,767	(18,147)
Investment securities	336,878	615,177	108,270	1,060,325
Accounts receivable	105,310	-	(24,764)	80,546
Interest receivable	(93,586)	-	(5,459)	(99,045)
Dividend receivable	(538)	-	-	(538)
Interest payable	52,555	-	5,990	58,545
Accrued vacation leave	827	-	605	1,432
Employee benefit obligation	8,166	(5,267)	(4,000)	(1,101)
Finance leases	(1,173)	-	9,427	8,254
Unused tax losses	(3,769)	-	3,769	-
Lease liabilities	25,550	-	(3,434)	22,116
Unrealised foreign exchange losses	2,978	-	(6,893)	(3,915)
	438,670	609,910	92,129	1,140,709

*See note 35

Company

	2021 (note 27) $'000	Recognised in income $'000	2022 $'000	Recognised in income (note 27) $'000	2023 $'000
Property, plant and equipment	-	(619)	(619)	2,256	1,637
Interest receivable	(10,067)	1,770	(8,297)	(12,577)	(20,874)
Investment securities	(15,481)	22,976	7,495	22,095	29,590
Finance leases	(1,173)	9,427	8,254	2,816	11,070
Accounts payable	-	-	-	4,896	4,896
Interest payable	11,172	(1,432)	9,740	(9,740)	-
Tax losses	(3,769)	3,769	-	35,404	35,404
	(19,318)	35,891	16,573	45,150	61,723

12. Property, plant and equipment

Group

	Leasehold property $'000	Computer equipment $'000	Furniture & Fixtures $'000	Leasehold improvements $'000	Total $'000
Cost:					
December 31, 2021	844,976	36,819	111,710	30,600	1,024,105
Additions	2,020	40	977	516	3,553
Disposals	(747,721)	-	-	-	(747,721)
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

VM Investments Limited

Notes to the **Financial Statements** CONTINUED

Year ended December 31, 2023

12. Property, plant and equipment (continued)

Group

	Leasehold property $'000	Computer equipment $'000	Furniture & Fixtures $'000	Leasehold improvements $'000	Total $'000
Depreciation:					
December 31, 2021	33,532	21,995	33,802	26,578	115,907
Charge for the year	19,948	4,496	10,433	1,713	36,590
Eliminated on disposal	(8,645)	-	-	-	(8,645)
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
Net book values:					
December 31, 2023	43,138	7,032	58,337	1,087	109,594
December 31, 2022	54,440	10,368	68,452	2,825	136,085

13. Intangible asset – computer software

	Group $'000
Cost:	
December 31, 2021	406,972
Additions	170,218
December 31, 2022	577,190
Additions	12,488
December 31, 2023	589,678
Amortisation:	
December 31, 2021	223,893
Charge for the year	52,820
December 31, 2022	276,713
Charge for the year	76,096
December 31, 2023	352,809
Net book values:	
December 31, 2023	236,869
December 31, 2022	300,477

	Company $'000
Cost:	
December 31, 2022 and 2023	41,875
Amortisation:	
December 31, 2022	515
Charge for the year	6,286
December 31, 2023	6,801
Net book values:	
December 31, 2023	35,074
December 31, 2022	41,360

14. Accounts payable

	Group 2023 $'000	Group 2022 $'000 Restated*	Company 2023 $'000	Company 2022 $'000
Customer payable	1,183,303	1,467,714	-	-
Payable to unit trust funds	-	383,697	-	383,697
Interest payable	182,366	185,380	19,587	38,961
Withholding tax payable	269,556	116,383	223,667	116,383
GCT payable	6,310	-	-	-
Other payables and accrued expenses	422,819	531,765	119,543	287,306
	881,051	1,217,225	362,797	826
	2,064,354	2,684,939	362,797	826,347

(b) Reconciliation of amounts due to related parties included in accounts payable

Group 2023

	Included in interest payable $'000	Other accounts payable $'000	Total [note 30(c)] $'000
Due to related parties [note 30(c)]	10,500	47,495	57,995

* See note 45

VM Investments Limited
Notes to the **Financial Statements** CONTINUED
Year ended December 31, 2023

14. Accounts payable (continued)

(b) Reconciliation of amounts due to related parties included in accounts payable (continued)

	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

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	
	2023 $'000	2022 $'000
Denominated in Jamaica dollars	5,808,043	5,027,397
Denominated in United States dollars [US$55,410,069 (2022: US$69,942,500)]	8,548,006	10,561,894
	14,356,049	15,589,291

	Company	
	2023 $'000	2022 $'000
Denominated in Jamaica dollars	438,000	60,000
Denominated in United States dollars [(US$ Nil) (2022: US$895,000)]	-	135,152
	438,000	195,152

At December 31, 2023, 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. These financial instruments have a fair value of 14,411,535,000 (2022: $16,463,321,000) for the group and $496,079,000 (2022: $214,436,000) for the company.

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 society (note 3 f (ii)), performed as of December 31, 2019, indicated that it is adequately funded. The group's contribution to the plans for the year amounted to $12,218,000 (2022: $10,712,000) as set out in note 25.

16. Employee benefit obligation (continued)

(b) Medical 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.

	2023 $'000	2022 $'000
Balance at beginning of year	19,300	32,700
Interest cost	2,500	2,600
Current service cost	100	500
Benefits paid	(800)	(700)
Experience adjustments and actuarial gains recognised in OCI	1,800	(15,800)
Net expense/(credit) in profit or loss and OCI	3,600	(13,400)
Balance at end of year	22,900	19,300

(ii) Expense recognised in staff costs (note 25):

	2023 $'000	2022 $'000
Current service cost	100	500
Interest on obligation	2,500	2,600
	2,600	3,100

(iii) Principal actuarial assumptions at the reporting date (expressed as weighted averages)

	2023 %	2022 %
Discount rate	11.00	13.00
Medical premiums growth	8.00	7.50

(iv) As at December 31, 2023, the weighted average duration of the employee benefit obligation was 15 years (2022: 16 years).

(v) Sensitivity analysis

A one percentage (2022: a 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:

	2023 1.0% increase $'000	2023 1.0% decrease $'000	2023 1.0% increase $'000	2023 1.0% decrease $'000
Discount rate	3,200	(2,700)	(17,200)	22,000
Assumed medical cost trend rate	(2,600)	3,100	22,000	(17,200)

VM Investments Limited

Notes to the **Financial Statements** CONTINUED

Year ended December 31, 2023

17. Borrowings

	Group		Company	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Fixed and variable unsecured bonds (i)	7,154,375	4,680,524	7,066,438	4,592,587
Fixed rate credit linked note (iii)	-	410,647	-	410,647
Variable rate unsecured bond (iii)	-	1,000,000	-	1,000,000
Other loans (ii)	1,502,654	1,402,947	1,502,654	1,402,947
	8,657,029	7,494,118	8,569,092	7,406,181

(i) These are comprised of four fixed rate unsecured bonds and three variable rate unsecured bond issued by the company. Two bonds issued in 2022 are as follows, less their transactional costs:

- Tranche B - $165,934,342 fixed rate 6.75% with a maturity date of March 31, 2024.
- Tranche C - $631,320,032 variable rate (2.5% plus 6 months WATBY) with a maturity date of March 31, 2024

Four bonds were issued by the company in 2022 from a J$5.8 billion bond issue; balances below are shown less their transaction costs:

- Tranche A -$642,966,218 variable rate 6.75% with a maturity date of March 31, 2024
- Tranche B - $4,759,227,353 fixed rate 11.25% with a maturity date of December 30, 2024
- Tranche C - $325,057,226 fixed rate 10.75% with a maturity date of June 30, 2024
- Tranche D - $15,744,000 variable rate (3.75% plus 6 months WATBY) with a maturity date of December 30, 2027

Funds of $526,188,387, net of transaction costs, were received in December 2023 from a J$530 million bond raise.

Some of the group's loan agreements are subject to financial covenant clauses, whereby the group is required to meet certain key financial ratios, which failure to satisfy and remedy is deemed "an Event of Default". At December 31, 2023, the group did not fulfil the Return on Assets ratio (minimum required ratio – 1%) and the Interest Coverage ratio (minimum required ratio – 1.5×) for the fixed and variable corporate bonds in issue. Consequently, the outstanding balance of $7,136,513,000 was due and payable, as such reclassified to current as at December 31, 2023 [note 28(c)].

Notwithstanding the breaches at the reporting date, the group, subsequent to the reporting date, was given until the end of the quarter following the year end to cure the covenant breaches. Subsequent to the reporting year end, the group was able to attain the minimum requirements for the financial covenants and immediate repayment is no longer required.

(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 last 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 2 years attracting an interest rate of 7.5% per annum.

17. Borrowings (continued)

(iii) These borrowings were redeemed in the current reporting period.

	Group			
	2023		2022	
	Face value $'000	Carrying amount $'000	Face value $'000	Carrying amount $'000
Fixed and variable unsecured bonds (i)	7,136,153	7,154,375	4,622,350	4,680,524
Fixed rate credit linked note (iii)	-	-	410,647	410,647
Variable rate unsecured bond (iii)	-	-	1,000,000	1,000,000
Other loans (ii)	1,502,654	1,502,654	1,402,947	1,402,947
	8,638,807	8,657,029	7,435,944	7,494,118

	Group			
	2023		2022	
	Face value $'000	Carrying amount $'000	Face value $'000	Carrying amount $'000
Fixed and variable unsecured bonds (i)	7,136,153	7,066,438	4,622,350	4,592,587
Fixed rate credit linked note (iii)	-	-	410,647	410,647
Variable rate unsecured bond (iii)	-	-	1,000,000	1,000,000
Other loans (ii)	1,502,654	1,502,654	1,402,947	1,402,947
	8,638,807	8,569,092	7,435,944	7,406,181

The following tables show reconciliations from the opening balances to the closing balances for borrowings and other loans:

	Group 2023		
	Borrowings $'000	Other loans $'000	Total borrowings & other loans $'000
Balance as at December 31, 2022	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 incurred	(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

	Group 2022		
	Borrowings $'000	Other loans $'000	Total borrowings & other loans $'000
Balance as at January 1, 2022	4,638,137	883,827	5,521,964
Proceeds from loans and borrowings	1,631,805	750,000	2,381,805
Repayment of loans and borrowings	(196,000)	(230,880)	(426,880)
	6,073,942	1,402,947	7,476,889
Other changes:			
Transaction cost incurred	(8,537)	-	(8,537)
Transaction cost amortised	(25,766)	-	(25,766)
Balance as at December 31, 2022	6,091,171	1,402,947	7,494,118

VM Investments Limited

Notes to the **Financial Statements** CONTINUED

Year ended December 31, 2023

17. Borrowings (continued)

The following tables show reconciliations from the opening balances to the closing balances for borrowings and other loans:

	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	6,091,322	560,000	6,651,322
Repayment of loans and borrowings	(4,958,403)	(453,502)	(5,411,905)
	7,136,153	1,509,445	8,645,598
Other changes:			
Capitalised borrowing costs	(69,715)	(6,791)	(76,506)
Balance as at December 31, 2023	7,066,438	1,502,654	8,569,092

	Company 2022		
	Borrowings $'000	Other loans $'000	Total borrowings & other loans $'000
Balance as at January 1, 2022	4,585,428	883,827	5,469,255
Proceeds from loans and borrowings	1,679,789	750,000	2,429,789
Repayment of loans and borrowings	(196,000)	(230,880)	(426,880)
	6,461,217	1,402,947	7,472,164
Other changes:			
Capitalised borrowing costs	(65,983)	-	(65,983)
Balance as at December 31, 2022	6,527,200	1,402,947	7,406,181

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 many years ago as 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 11).

	Group Leasehold properties	
	2023 $'000	2022 $'000
Balance at January 1	99,275	99,275
Depreciation at January 1	44,834	33,531
Depreciation charge for the year	1,302	11,303
	56,136	44,834
Balance at December 31	43,139	54,441

18. Leases (continued)

(a) Leases as lessee (continued)

(ii) Lease liabilities:

	Group 2023 $'000	Group 2022 $'000
Undiscounted cashflows of lease liabilities		
Less than one year	17,506	17,506
One to five years	49,074	59,418
More than five years	597	7,760
	67,177	84,684
Less future interest charges	(12,216)	(18,339)
Carrying amount of lease liabilities	54,961	66,345
Current	12,576	11,384
Non-current	42,385	54,961
	54,961	66,345

(iii) Reconciliation of movement during the period in the carrying amount of lease liabilities

	Group 2023 $'000	Group 2022 $'000
Balance at January 1	66,345	76,650
Lease principal payments during the year	(11,384)	(10,305)
Balance at December 31	54,961	66,345

(iv) Amounts recognised in profit or loss

	Group 2023 $'000	Group 2022 $'000
Leases under IFRS 16:		
Interest on lease liabilities (note 22)	6,122	7,201

(v) Amounts recognised in statement of cash flows

	Group 2023 $'000	Group 2022 $'000
Lease interest payments	6,122	7,201
Lease principal payments	11,384	10,305
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.

VM Investments Limited

Notes to the **Financial Statements** CONTINUED

Year ended December 31, 2023

18. Leases (continued)

(a) 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 $8,889,000 (2022: $11,711,000); see note 22. The allowance for impairment on finance leases receivable was $545,000 (2022: $2,810,000).

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	
	2023 $'000	2022 $'000
Gross investment in finance leases, receivable:		
2023	-	50,856
2024	43,867	46,433
2025	40,212	42,778
2026	17,382	19,735
2027	1,226	1,226
	102,687	161,028
Unearned finance income	(9,960)	(29,566)
Net investment in finance leases	92,727	131,462

19. Share capital

	Group and Company	
	2023 $'000	2022 $'000
Authorised: 5,000,000,000 (2022: 5,000,000,000) ordinary shares at no par value		
Issued and fully paid: 1,500,025,000 (2022: 1,500,025,000) ordinary shares	713,262	713,262
Less: share issuance costs	(5,375)	(5,375)
	707,887	707,887

(a) The issued share capital does not include premium of $24,000,000 (2022: $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.

(b) On February 1, 2023 under an approved Scheme of Arrangement, all the ordinary shares issued by the company and held by the former parent society, Victoria Mutual Building Society were transferred to VM Financial Group Limited, the parent company.

In consideration for receiving the shares, VM Financial Group Limited alloted and issued a similar number of ordinary shares to the ultimate parent company, VM Group Limited. Those shares were credited as fully paid. Effectively, this meant that VM Financial Group Ltd. became the new parent company and VM Group Limited became the ultimate parent company (see note 1). No cash was transferred for the transaction.

VM Investments Limited
Notes to the **Financial Statements** CONTINUED
Year ended December 31, 2023

20. Reserves

(a) Investment revaluation reserve

This represents:

- the cumulative net change in the fair value of equity securities measured at FVOCI, net of deferred taxes.
- 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 increased by the amount of loss allowances 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).

21. Non-controlling interest

(a) In the prior reporting period, this represented convertible preference shares in the subsidiary company that was issued to the ultimate parent society.

Pursuant to the approved Scheme of Arrangement, effective February 1, 2023, the convertible preference shares in the subsidiary company were transferred to the intermediate parent company, VM Financial Group Ltd. (see note 19).

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 (2022: 50,000,000).

(b) On October 31, 2023, the subsidiary company issued 1,500,000 non-redeemable, non-cumulative preference shares to the 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.

22. Net interest income

	Group		Company	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Interest income calculated using the effective interest method:				
Investment securities at FVOCI	754,592	847,230	-	-
Investment securities at amortised cost	270,156	48,571	270,156	48,571
Resale agreements at amortised cost	81,150	93,652	12,978	2,365
Loan receivables at amortised cost	404,161	410,461	404,161	402,334
	1,510,059	1,399,914	687,295	453,270
Interest income on finance leases	8,889	11,711	8,889	11,711
Interest on convertible preference share	164,375	-	164,375	-
Other	11,592	-	4,288	-
	1,694,915	1,411,625	864,847	464,981
Interest expense:				
Repurchase agreements	(786,803)	(730,658)	(12,242)	(7,715)
Loans and borrowings	(854,169)	(420,728)	(854,169)	(414,521)
	(1,640,972)	(1,151,386)	(866,411)	(422,236)
Lease liabilities	(6,122)	(7,201)	-	-
	(1,647,094)	(1,158,587)	(866,411)	(422,236)
Net interest income/(expense)	47,821	253,038	(1,564)	42,745

VM Investments Limited

Notes to the **Financial Statements** CONTINUED

Year ended December 31, 2023

23. Gains from investment activities

	Group		Company	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Gain on sale of fixed income securities classified as FVOCI	675,720	618,488	2,694	-
Fixed income securities at amortised cost	-	(872)	-	(872)
Convertible preference shares at FVTPL	301,903	-	301,903	-
Property/share swap (i)	-	235,457	-	235,457
Equities at FVTPL	(121,623)	93,666	(117,804)	98,517
Unit trust funds at FVTPL	27,952	-	-	-
Net foreign exchange translation losses (ii)	(17,609)	(212)	(5,366)	(4,937)
	866,343	946,527	181,427	328,165

(i) These amounts represent the gain resulting from a swap transaction with the VM Wealth Unit Trust Property Fund (the Fund Manager, being the subsidiary company) in exchange for shares in Kingston Properties Limited (KPREIT). During the current reporting period, the purchase price allocation was completed for KPREIT. Consequently, the provisional financial information obtained was updated to reflect the carrying value of the interest in associate that existed at the acquisition date (note 7).

(ii) Net foreign exchange translation gains include gains and losses arising from the translation of financial assets and liabilities denominated in foreign currencies.

24. Fees and commissions

	Group		Company	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Fee and commission income:				
Brokerage activities	84,748	70,941	-	-
Corporate advisory services	308,957	502,190	-	-
Portfolio management fees - unit trust funds	413,777	337,460	-	-
Portfolio management services -other	65,753	65,225	-	-
Commitment fees on loans	47,408	35,940	47,408	35,940
Other	24,290	4	24,291	-
	944,933	1,011,760	71,699	35,940

25. Staff costs

	Group	
	2023 $'000	2022 $'000
Salaries and wages [note 30(d)]	727,902	656,657
Statutory payroll contributions	53,861	48,078
Pension plan contributions [note 16(a)]	12,218	10,712
Post-employment medical benefit [note 16(b)(ii)]	2,600	3,100
Allowances and other benefits	115,991	46,128
	912,572	764,675

VM Investments Limited

Notes to the **Financial Statements** CONTINUED

Year ended December 31, 2023

26. Other operating costs

	Group		Company	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Advertising and public relations	29,289	75,896	2,093	10,100
Asset tax	47,675	57,477	-	-
Audit fees – current	40,380	33,292	10,798	10,088
Bad debt written off	455	-	455	-
Bank charges	15,876	11,737	202	282
Communication and courier	1,580	14,964	-	-
Depreciation and amortization	102,915	89,410	6,286	9,160
Directors' fees [note 30 (b)]	27,312	26,226	15,322	15,170
Financial Services Commission fees	10,353	8,240	-	-
Irrecoverable GCT	9,446	9,239	-	-
JCSD charges	15,934	10,216	5,092	10,216
JSE charges	5,023	8,684	-	8,684
Legal and other professional fees	194,303	115,863	110,599	84,031
Outsourced services	355	59,444	-	-
Rent, maintenance and utilities	49,694	57,447	-	-
Settlement with customers	35,717	-	-	-
Software maintenance and IT expenses	88,856	79,451	-	-
Trustee fees – retail repurchase agreements	-	6,328	-	-
Management fees [note 30(d)]	104,386	-	13,096	60,776
Other expenses	31,152	92,411	1,709	24,434
	810,701	756,325	165,652	232,941

27. Income tax

(a) The charge for income tax is computed at statutory tax rate of 33⅓% (2022: 33⅓%) of the profit for the year for the subsidiary company and 25% (2022: 25%) for the company, as adjusted for tax purposes, and is made up as follows:

	Group		Company	
	2023 $'000	2022 $'000 Restated*	2023 $'000	2022 $'000
(i) Current income tax				
Current year	129,063	311,817	-	42,914
Prior year adjustment	(13,320)	-	(20,075)	-
	115,743	311,817	(20,075)	42,914
(ii) Deferred income tax (note 11)				
Origination and reversal of temporary differences	(141,289)	(92,129)	(45,150)	(35,891)
Total income tax (credit)/charge	(25,546)	219,688	(65,225)	7,023

* See note 35

VM Investments Limited

Notes to the **Financial Statements** CONTINUED

Year ended December 31, 2023

27. Income tax (continued)

(b) The effective tax rate for 2023 was a credit of 14.74% (2022: 23.46%) for the group and a credit of 127.88% (2022: 2.69%) for the company of pre-tax profits. The actual tax charge differs from the theoretical tax charge for the year, as follows:

	Group		Company	
	2023 $'000	2022 $'000 Restated*	2023 $'000	2022 $'000 Restated*
Profit before income tax	173,298	936,276	51,001	260,468
Tax calculated at a rate of:				
25%	12,750	65,117	12,750	65,117
33⅓%	40,766	237,014	-	-
Adjusted for the effects of:				
Income not subject to tax	(74,038)	(123,640)	(61,954)	(76,875)
Tax effect of items not deductible for tax purposes	8,296	41,197	4,055	18,781
Prior year adjustments	(13,320)	-	(20,075)	-
Actual tax (credit)/charge	(25,546)	219,688	(65,224)	7,023

* See note 35

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.

28. Financial instruments-risk management (continued)

(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 and accounts receivable.

(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 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 reputable financial institutions and collateral is not required for such accounts as management regards the institutions as strong.

VM Investments Limited

Notes to the **Financial Statements** CONTINUED

Year ended December 31, 2023

28. Financial instruments-risk management (continued)

(b) Credit risk (continued)

(ii) Collateral and other credit enhancements held against financial assets (continued)

- 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 scrutinizing of tradeable securities utilized 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 and foreign Government debt securities; such securities are generally unsecured.

- Accounts receivable

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.

	Percentage of exposure that is subject to collateral requirements		
	2022	2023	Collateral type
Loan advances to customers			
Margin loans	75%	99%	Debt and equity securities
Corporate loans	100%	100%	Real property, shares, debt securities
Resale agreements	**100%**	**100%**	**Debt securities**

VM Investments Limited

Notes to the **Financial Statements** CONTINUED

Year ended December 31, 2023

28. Financial instruments-risk management (continued)

(b) Credit risk (continued)

(ii) Collateral and other credit enhancements held against financial assets (continued)
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 and Bank of Jamaica, holds substantial amounts of these debt securities. 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.

(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 2023	
	Stage 1 12-month ECL $'000	Total $'000
Credit grade		
Investment grade	651,504	651,504
Non-investment grade	14,434,615	14,434,615
	15,086,119	15,086,119
Loss allowance (note 6)	(30,200)	(30,200)

	Group 2022	
	Stage 1 12-month ECL $'000	Total $'000
Credit grade		
Investment grade	645,371	645,371
Non-investment grade	14,999,418	14,999,418
	15,644,789	15,644,789
Loss allowance (note 6)	(77,832)	(77,832)

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Year ended December 31, 2023

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:

	Group 2023			
	Stage 1 12-month ECL $'000	Stage 2 Lifetime $'000	Stage 3 Lifetime $'000	Total $'000
Credit grade				
Non-Investment grade	6,600,402	189,869	-	6,790,271
Default	-	-	721,246	721,246
Gross carrying amount (notes 5,6,9)	6,600,402	189,869	721,246	7,511,517
Loss allowance [note 28(b)(v)(d)]	(20,231)	(305)	(284,323)	(304,859)
	6,580,171	189,564	436,923	7,206,658

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 63% (2022: 100%) of those loan values.

	Group 2022			
	Stage 1 12-month ECL $'000	Stage 2 Lifetime $'000	Stage 3 Lifetime $'000	Total $'000
Credit grade				
Non-Investment grade	6,787,168	494,079	-	7,281,247
Default	-	-	41,939	41,939
Loss allowance [note 28(b)(v)(d)]	(50,155)	(6,328)	(40,047)	(96,530)
	6,837,013	487,751	1,892	7,226,656

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:

	Company 2023			
	Stage 1 12-month ECL $'000	Stage 2 Lifetime $'000	Stage 3 Lifetime $'000	Total $'000
Credit grade				
Non-Investment grade	5,244,868	189,869	-	5,434,737
Default	-	-	721,246	721,246
Gross carrying amount (notes 5,6,9)	5,244,868	189,869	721,246	6,155,983
Loss allowance [note 28(b)(v)(d)]	(19,720)	(305)	(284,323)	(304,348)
	5,225,148	189,564	436,923	5,851,635

	Company 2022			
	Stage 1 12-month ECL $'000	Stage 2 Lifetime $'000	Stage 3 Lifetime $'000	Total $'000
Credit grade				
Non-Investment grade	5,837,436	494,079	-	6,331,515
Default	-	-	41,939	41,939
Gross carrying amount (notes 5,6,9)	5,837,436	494,079	41,939	6,373,454
Loss allowance [note 28(b)(v)(d)]	(49,729)	(6,328)	(40,047)	(96,100)
	5,787,711	487,751	1,892	6,277,354

VM Investments Limited

Notes to the **Financial Statements** CONTINUED

Year ended December 31, 2023

28. Financial instruments-risk management (continued)

(b) Credit risk (continued)

(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.

Notes to the **Financial Statements** CONTINUED

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)

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.

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 returns to being measured as 12-month ECL. Some qualitative indicators of an increase in credit risk, such as delinquency or forbearance, may be indicative of an increased risk of default that persists after the indicator itself has ceased to exist. In these cases, the group determines a probation period during which the financial asset is required to demonstrate good behaviour to provide evidence that its credit risk has declined sufficiently. 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.

VM Investments Limited

Notes to the **Financial Statements** CONTINUED

Year ended December 31, 2023

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)

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.

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.

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)

For the economic scenarios used as at December 31, 2023 and 2022, the following key indicators represent scores used to adjust the forward-looking information for Jamaica for the years 2023 and 2024:

	2023	2024
Unemployment rates	7.6%	5.0%
Base	0.6	0.6
Upside	0.3	0.3
Downside	0.6	0.6
Interest rates	6.5%	6.5%
Base	0.2	0.2
Upside	0.2	0.2
Downside	0.2	0.2
GDP growth	2.0%	1.8%
Base	0.2	0.2
Upside	0.2	0.2
Downside	0.3	0.3
Inflation rates	6.3%	4.8%
Base	0.1	0.2
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.

VM Investments Limited

Notes to the **Financial Statements** CONTINUED

Year ended December 31, 2023

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):

(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.

(d) Loss allowance

The following tables show reconciliations from the opening to the closing balance of the loss allowance by class of financial instrument.

	Group 2023 Stage 1 12-month ECL $'000
Balance as at January 1, 2023	77,875
Adjustment to fair value reserve	
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	(47,675)
Balance as at December 31, 2023 (note 6)	30,200

VM Investments Limited
Notes to the **Financial Statements** CONTINUED
Year ended December 31, 2023

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)

	Group 2022 Stage 1 12-month ECL $'000
Balance as at January 1, 2023	101,729
Adjustment to fair value reserve	-
New financial assets originated or purchased	10,708
Financial assets derecognised during the year	(6,112)
Foreign exchange adjustment	(980)
Changes in models/assumptions used in ECL calculation	(27,470)
Net remeasurement of loss allowance	(23,854)
Balance as at December 31, 2023	77,875

Debt securities, finance lease, loans receivable and resale agreement at amortised cost:

	Group 2023			
	Stage 1 12-month ECL $'000	Stage 2 Lifetime $'000	Stage 3 Lifetime $'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	(32,700)	(6,022)	247,051	208,329
Balance as at December 31, 2023 [notes 6, 9 and 18(b)]	17,455	306	287,098	304,859

	Group 2022			
	Stage 1 12-month ECL $'000	Stage 2 Lifetime $'000	Stage 3 Lifetime $'000	Total $'000
Balance as at January 1, 2022	58,338	9,795	25,122	93,255
Transfer from stage 1 to stage 2	(2,735)	2,735	-	-
New financial assets originated/purchased	29,343	1,607	-	30,950
Financial assets derecognised during the year	(28,531)	(416)	-	(28,947)
Changes to inputs used in ECL Calculation	(6,260)	(7,393)	14,925	1,272
Net remeasurement of loss allowance	(8,183)	(3,467)	14,925	3,275
Balance as at December 31, 2022	50,155	6,328	40,047	96,530

VM Investments Limited

Notes to the Financial Statements CONTINUED

Year ended December 31, 2023

28. Financial instruments-risk management (continued)

(b) Credit risk (continued)

(v) Impairment (continued)

(d) Loss allowance (continued)

Debt securities, finance lease, loans receivable and resale agreement at amortised cost (continued)

	Company 2023			
	Stage 1 12-month ECL $'000	Stage 2 Lifetime $'000	Stage 3 Lifetime $'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	(32,781)	(6,022)	247,051	208,248
Balance as at December 31, 2023 (note 9)	16,944	306	287,098	304,348

	Company 2022			
	Stage 1 12-month ECL $'000	Stage 2 Lifetime $'000	Stage 3 Lifetime $'000	Total $'000
Balance as at January 1, 2022	57,771	9,795	25,122	92,688
Transfer from stage 1 to stage 2	(2,735)	2,735	-	-
New financial assets originated/purchased	28,904	1,607	-	30,511
Financial assets derecognised during the year	(27,955)	(416)	-	(28,371)
Changes in inputs used in ECL calculations	(6,260)	(7,393)	14,925	1,272
Net remeasurement of loss allowance	(8,046)	(3,467)	14,925	3,412
Balance as at December 31, 2022	49,725	6,328	40,047	96,100

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 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	

	Group 2022			
Age buckets	Weighted average loss rate	Gross carrying amount $'000	Loss allowance $'000	Credit impaired
Current (not past due)	3.94%	100,478	3,958	No
31-60 days	13.29%	38,028	5,055	No
61-90 days	3.73%	6,809	254	No
Over 90 days	100%	232,370	232,370	Yes
		377,685	241,637	

(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	
	2023 $'000	2022 $'000 Restated*
Debt securities at FVOCI (note 6)	(47,675)	(23,854)
Resale agreements, debt securities, loans receivable, and finance leases at amortised cost (notes 5, 6, 9, 18)	208,329	3,275
Accounts receivable (note 10)	(10,321)	(99,738)
Other	43	(9)
	150,376	(120,326)

	Company	
	2023 $'000	2022 $'000
Debt securities, finance leases, loans receivable and resale agreements at amortised cost (notes 5,6,9,18)	208,248	3,412

*See note 35

VM Investments Limited
Notes to the **Financial Statements** CONTINUED
Year ended December 31, 2023

28. Financial instruments-risk management (continued)

(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.

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 67% (2022: 75.32%).

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.

VM Investments Limited

Notes to the **Financial Statements** CONTINUED

Year ended December 31, 2023

28. Financial instruments-risk management (continued)

(c) Liquidity risk (continued)

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, new bonds (borrowings) amounted to $425,000,000 (2022: $5,800,000,000) issued by the company have been used to finance maturing bonds. At the reporting year end, the group had incurred breaches in its covenant clauses for the borrowings (note 17). Subsequent to the reporting year end, the group was able to attain the minimum requirements for the financial covenants. Accordingly, the prepayment is no longer required.

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 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	-	1,574,050	-	1,574,050	1,571,196
Investments	668,080	178,180	16,510,613	17,356,873	17,356,873
Loans receivable and net investment in finance leases	318,350	1,047,094	3,566,162	4,931,606	4,744,395
Accounts receivable	411,956	-	-	-	411,956
Total financial assets	2,276,041	2,799,324	20,076,775	25,152,140	24,962,075
Financial liabilities					
Borrowings	7,935,405	1,030,000	479,444	9,444,849	8,567,029
Accounts payable	1,418,347	-	-	1,418,347	1,418,347
Repurchase agreements, including interest	8,956,518	5,562,821	-	14,519,339	14,356,049
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	18,443,385	6,601,574	529,115	25,574,074	24,520,748
On statement of financial position gap, being total liquidity gap	(16,167,344)	(3,802,250)	19,547,660	(421,934)	351,327
Cumulative gap	(16,167,344)	(19,969,594)	(421,934)	-	

Group 2022

	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	1,192,249	-	-	1,192,249	1,192,249
Resale agreements	960,000	-	-	960,000	947,729
Investments	1,518,731	99,524	14,714,133	16,332,388	16,332,388
Accounts receivable	618,763	-	-	618,763	618,763
Total financial assets	4,289,743	99,524	14,714,133	19,103,400	19,091,129
Financial liabilities					
Borrowings	3,878,783	1,515,490	2,445,722	7,839,995	7,494,118
Accounts payable	2,220,660	-	-	2,220,660	2,220,660
Repurchase agreements, including interest	11,534,982	4,381,858	-	15,916,840	15,735,709
Lease liabilities	4,377	13,130	67,178	84,685	66,345
Due to ultimate parent society	441,722	-	-	441,722	441,722
Total financial liabilities	8,080,524	5,910,478	2,512,900	26,503,902	25,958,554
On statement of financial position gap, being total liquidity gap	(13,790,781)	(5,810,954)	12,201,233	(7,400,502)	(6,867,855)
Cumulative gap	(13,790,781)	(19,601,735)	(7,400,502)	-	

The gap is in relation to items recognised in the statement of financial position. There are no "off balance sheet" exposures.

VM Investments Limited

Notes to the **Financial Statements** CONTINUED

Year ended December 31, 2023

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 assets					
Cash and cash equivalents	101,332	-	-	101,332	101,332
Resale agreements	-	215,653	-	215,653	215,454
Loans receivable and net investment in finance leases	318,350	1,047,094	3,566,162	4,931,606	4,744,395
Accounts receivable	100,695	-	-	100,695	100,695
Investments	50,000	-	1,992,802	2,042,802	2,042,802
Total financial assets	570,377	1,262,747	5,558,964	7,392,088	7,204,678
Financial liabilities					
Borrowings	7,935,405	1,030,000	479,444	9,444,849	8,657,029
Accounts payable	58,114	-	-	58,114	58,114
Repurchase agreements, including interest	-	438,069	-	438,069	438,000
Due to subsidiary	122,538	-	-	122,538	122,538
Total financial liabilities	8,116,057	1,468,069	479,444	10,063,570	9,275,681
On statement of financial position gap, being total liquidity gap	(7,545,680)	(205,521)	5,079,520	(2,671,482)	(2,071,003)
Cumulative gap	(7,545,680)	(7,751,000)	(2,671,482)	-	

Company 2022

	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	216,608	-	-	216,608	216,608
Investments	561,655	-	125,944	687,599	687,599
Accounts receivable	124,228	-	-	124,228	143,629
Total financial assets	902,491	-	125,944	1,028,435	1,047,836
Financial liabilities					
Due to ultimate parent society	193,593	-	-	193,593	193,593
Due to subsidiary	110,805	-	-	110,805	110,805
Borrowings	3,790,846	1,515,490	2,445,722	7,752,058	7,406,181
Accounts payable	618,941	-	-	618,941	618,941
Repurchase agreements, including interest	195,456	-	-	195,456	195,227
Total financial liabilities	4,909,641	1,515,490	2,445,722	8,870,853	8,524,747
On statement of financial position gap, being total liquidity gap	(4,007,150)	(1,515,490)	(2,319,778)	(7,842,418)	(7,496,312)
Cumulative gap	(4,007,150)	(5,522,640)	(7,842,418)	-	

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.

28. Financial instruments-risk management (continued)

(d) Market risk (continued)

(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	
	2023 US$'000	2022 US$'000	2023 US$'000	2022 US$'000
Foreign currency assets:				
Cash and cash equivalents	2,107	6,818	5	934
Resale agreements	2,828	2,787	-	-
Investment securities	59,831	61,305	4,851	1,031
Loans receivable	-	705	-	705
Accounts receivable	5,059	10,341	504	1,528
	69,825	81,956	5,360	4,198
Foreign currency liabilities:				
Borrowings	907	-	907	-
Accounts payable	5,672	16,624	123	3,889
Repurchase agreements	55,410	69,943	-	895
	61,989	86,567	1,030	4,784
Net foreign currency assets/(liabilities)	7,836	(4,611)	4,330	(586)

Foreign exchange rates

The group uses the average of Bank of Jamaica's buying and selling rates [see note 3(c)]. The rates as at the reporting date were as follows:

	2023 $	2022 $
United States dollar	154.2681	151.0082

VM Investments Limited

Notes to the **Financial Statements** CONTINUED

Year ended December 31, 2023

28. Financial instruments-risk management (continued)

(d) Market risk (continued)

(i) Foreign currency risk (continued)

Sensitivity to foreign exchange rate movements:

A 1% strengthening (2022: 1%) and a 4% weakening (2022: 4%) of the Jamaica dollar against the United States dollar at December 31, 2023 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 2022.

	Group			
	2023		2022	
	% Change in Currency Rate %	Effect on Profit $'000	% Change in Currency Rate %	Effect on Profit $'000
Currency:				
US$	1% Revaluation	12,088	1% Revaluation	6,963
US$	4% Devaluation	(48,354)	4% Devaluation	(27,852)

	Company			
	2023		2022	
	% Change in Currency Rate %	Effect on Profit $'000	% Change in Currency Rate %	Effect on Profit $'000
Currency:				
US$	1% Revaluation	6,680	1% Revaluation	885
US$	4% Devaluation	(26,719)	4% Devaluation	(3,538)

(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.

VM Investments Limited

Notes to the **Financial Statements** CONTINUED

Year ended December 31, 2023

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
Cash and cash equivalents	242,220	-	-	635,415	877,635
Resale agreements	1,489,694	80,991	-	-	1,570,685
Loans receivable	268,893	1,046,413	3,336,362	-	4,651,668
Investment securities	618,080	230,355	16,266,052	1,162,277	18,276,764
Accounts receivable excluding prepaid expenses	-	-	-	411,956	411,956
Net investment in finance leases	-	-	92,727	-	92,727
Total financial assets	**2,618,887**	**1,357,759**	**19,695,141**	**2,209,648**	**25,881,435**
Lease liabilities	-	-	54,961	54,961	
Repurchase agreements	9,317,203	5,038,846	-	-	14,356,049
Borrowings	7,154,374	1,023,210	479,445	-	8,657,029
Due to ultimate parent company	-	-	-	124,362	124,362
Accounts payable	-	-	-	2,241,726	2,241,726
Total financial liabilities	**16,471,577**	**6,062,056**	**479,445**	**2,421,049**	**25,434,127**
Total interest sensitivity gap**	**(13,852,690)**	**(4,704,297)**	**19,215,696**	**(211,401)**	**477,300**
Cumulative gap	**(13,852,690)**	**(18,556,787)**	**658,709**	**447,308**	**-**

	Group 2022 Restated*				
	Within 3 months $'000	3 to 12 months $'000	Over 12 months $'000	Non-rate sensitive $'000	Total $'000
Cash and cash equivalents	9,675	-	-	1,182,574	1,192,249
Resale agreements	640,886	111,261	-	-	752,147
Loans receivable	181,300	258,233	5,027,847	-	5,467,380
Investment securities	1,368,661	661,179	14,291,167	1,239,228	17,560,235
Accounts receivable excluding prepaid expenses	-	-	-	618,763	618,763
Net investment in finance leases	3,353	-	128,109	-	131,462
Total financial assets	**2,203,875**	**1,030,673**	**19,447,123**	**3,040,565**	**25,722,236**
Lease liabilities	-	66,345	66,345		
Repurchase agreements	11,384,158	4,205,133	-	-	15,589,291
Borrowings	3,791,193	1,347,462	2,355,463	-	7,494,118
Due to ultimate parent society	-	-	-	441,722	441,722
Accounts payable	-	-	-	2,753,663	2,753,663
Total financial liabilities	**15,175,351**	**5,552,595**	**2,355,463**	**3,261,730**	**26,345,139**
Total interest sensitivity gap**	**(12,971,476)**	**(4,521,922)**	**17,091,660**	**(221,165)**	**(622,903)**
Cumulative gap	**(12,971,476)**	**(17,493,398)**	**(401,738)**	**(622,903)**	**-**

*See note 35

VM Investments Limited
Notes to the **Financial Statements** CONTINUED
Year ended December 31, 2023

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
Cash and cash equivalents	10,005	-	-	91,327	101,332
Investment securities	-	52,175	1,976,194	423,367	2,451,736
Net investment in finance leases	-	-	92,727	-	92,727
Resale agreements	215,454	-	-	-	215,454
Loans receivable	268,893	1,046,413	3,336,362	-	4,651,668
Other receivables excluding prepaid expense	-	-	-	100,695	100,695
Total financial assets	**494,352**	**,098,588**	**5,405,283**	**615,389**	**7,613,612**
Borrowings	7,066,437	1,023,210	479,445	-	8,569,092
Repurchase agreements	438,000	-	-	-	438,000
Accounts payable	-	-	-	362,797	362,797
Due to subsidiary company	-	-	-	122,538	122,538
Total financial liabilities	**7,504,437**	**1,023,710**	**479,445**	**485,335**	**9,492,427**
Total interest sensitivity gap**	**(7,010,085)**	**75,378**	**4,925,838**	**130,054**	**(1,878,815)**
Cumulative gap	**(7,010,085)**	**(6,934,707)**	**(2,008,869)**	**(1,878,815)**	**-**

Company 2022

	Within 3 months $'000	3 to 12 months $'000	Over 12 months $'000	Non-rate sensitive $'000	Total $'000
Cash and cash equivalents	8,977	-	-	207,631	216,608
Investment securities	-	561,655	114,563	426,113	1,102,331
Net investment in finance leases	3,353	-	128,109	-	131,462
Resale agreements	-	-	-	-	-
Loans receivable	181,300	258,233	5,027,847	-	5,467,380
Other receivables excluding prepaid expense	-	-	-	124,228	124,228
Total financial assets	**193,630**	**819,888**	**5,270,519**	**757,972**	**7,042,009**
Borrowings	3,703,256	1,347,462	2,355,463	-	7,406,181
Accounts payable	-	-	-	826,347	826,347
Repurchase agreements	195,152	-	-	-	195,152
Due to ultimate parent society	-	-	-	193,593	193,593
Due to subsidiary company	-	-	-	110,805	110,805
Total financial liabilities	**3,898,408**	**1,347,462**	**2,355,463**	**1,130,745**	**8,732,078**
Total interest sensitivity gap**	**(3,704,778)**	**(527,574)**	**2,915,056**	**(372,773)**	**(1,690,069)**
Cumulative gap	**(3,704,778)**	**(4,232,352)**	**(1,317,296)**	**(1,690,069)**	**-**

The total gap relates to financial instruments recognised in the statement of financial position as there are no unrecognised financial instruments.

28. Financial instruments-risk management (continued)

(d) Market risk (continued)

(ii) Interest rate risk (continued)

Average effective yields by the earlier of contractual re-pricing and maturity dates are as follows:

Group 2023

	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

Group 2022

	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	7.83	7.27	-	7.26
US$ Resale agreements	4.07	-	-	4.07
J$ Investment securities	6.62	6.00	7.12	6.58
US$ Investment securities	-	3.75	7.25	5.50
J$ Margin loans	10.99	10.58	10.68	10.75
J$ Corporate loans	7.95	6.00	8.74	7.56
Net investment in finance leases	8.75	-	7.06	7.91
Liabilities				
Borrowings	5.86	6.63	6.20	6.23
J$ Repurchase agreements	6.25	6.11	-	6.23
US$ Repurchase agreements	3.70	4.28	-	3.89

VM Investments Limited

Notes to the **Financial Statements** CONTINUED

Year ended December 31, 2023

28. Financial instruments-risk management (continued)

(d) Market risk (continued)

(ii) Interest rate risk (continued)

Average effective yields by the earlier of contractual re-pricing and maturity dates are as follows:

Company 2023

	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

Company 2022

	Within 3 months %	3 to 12 months %	Over 12 months %	Overall average %
Assets				
J$ Cash and cash equivalents	0.12	-	-	0.12
US$ Cash and cash equivalents	0.02	-	-	0.02
J$ Margin loans	10.99	10.58	10.68	10.75
J$ Corporate loans	7.95	6.00	8.74	7.56
J$ Investments	-	6.50	6.75	6.63
US$ Investments	-	3.75	-	3.75
Net investment in finance leases	8.75	-	7.06	7.91
Liabilities				
J$ Repurchase agreements	4.50	-	-	4.50
US$ Repurchase agreements	3.63	-	-	3.63
Borrowings	5.86	6.63	6.20	6.23

28. Financial instruments-risk management (continued)

(d) Market risk (continued)

(ii) Interest rate risk (continued)

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 2022.

	2023	2022
J$ interest rates	Increase/decrease by 25 bps	Increase by 100 bps Decrease by 50 bps
US$ interest rates	Increase/decrease by 25 bps	Increase by 100 bps Decrease by 50 bps

2023			2022		
Change in basis points JMD/USD	Effect on Profit $'000	Effect on equity $'000	Change in basis points JMD/USD	Effect on Profit $'000	Effect on equity $'000
+25/+25	(14,695)	(170,083)	+100/-50	(87,722)	(910,060)
-25/-25	14,695	220,774	+100/-50	43,861	392,708

(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 $857,044,000 (2022: $1,157,978,000). An increase of 6% (2022: 10%) in share prices would result in an increase in profit of $20,541,000 (2022: $62,936,000) and an increase in other comprehensive income of $30,600,000 (2022: $48,501,000). A decrease of 3% (2022: 10%) in share prices would result in a decrease in profit of $10,586,000 (2022: $62,936,000) and a decrease in other comprehensive income of $15,300,000 (2022: $48,501,000).

(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.

VM Investments Limited
Notes to the **Financial Statements** CONTINUED
Year ended December 31, 2023

28. Financial instruments-risk management (continued)

(e) Capital management (continued)

The subsidiary company's regulatory capital position as at the reporting date was as follows:

	2023 $'000	2022 $'000
Tier 1 Capital	4,002,053	3,148,844
Tier 2 Capital	70,600	71,800
Total regulatory capital	4,072,653	3,220,644
Risk-Weighted Assets:		
On statement of financial position	17,271,770	17,431,713
Foreign exchange exposure	338,427	609,088
	17,610,197	18,040,801
Operational risk-weighted assets	316,615	269,695
	17,926,812	18,310,496

Capital adequacy ratios:		2023 $'000	2022 $'000
	FSC Benchmark	2023	2022
Tier 1 Capital/Total regulatory capital	Greater than 50%	98.27%	97.77%
Total regulatory capital /risk-weighted assets	Minimum 10%	22.72%	17.59%
Actual capital base / total assets	Greater than 6%	9.83%	15.55%

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.

The subsidiary company's capital position as at the reporting date was as follows:

	2023 $'000	2022 $'000
Net Free Capital	2,248,946	1,403,687
Minimum Capital Requirements	(829,272)	(875,104)
Excess of Net Free Capital	1,419,674	528,583
Total Liabilities	17,130,664	17,492,655

	FSC Benchmark	2023	2022
Net Free Capital/ Total Liabilities	Greater than 5%	13.13%	8.02%

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.

29. Financial instruments - fair values

- 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
Home Choice Enterprise Limited	Income	Level 3
Cold bush	Asset	Level 3
Preference shares	Income	Level 3

VM Investments Limited

Notes to the **Financial Statements** CONTINUED

Year ended December 31, 2023

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)

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.

Asset Approach:

An asset-based method to determining the going-concern value of a business is normally used when (a) the value of the business is directly related to the underlying assets such as real estate, portfolio investments, etc., or (b) the net asset value of the business (under a non-liquidation scenario) is higher than a capitalized earnings value, implying that there is no goodwill associated with the business.

Typically the liquidation value is lower, due primarily to the consideration of disposition costs, including income tax costs, on the assumed liquidation of the assets.

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/ dealers, namely, Oppenheimer; and • 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.	• Net asset value	• Investment based	• A significant increase in the expected cash flows would result in a high fair value.
Convertible preference shares	• Fair value determined by discounting the future expected cashflows using the after-tax cost of debt of 10.36% (2022: 8.85%)	• Risk-adjusted discount rate • Expected net cash flows derived from the entity	• Spread of 7.85% (2022:12.8%) above risk-free interest rate • Investment based	• A significant increase in the spread above the risk-free rate would result in a lower fair value. A significant increase in the expected cash flows would result in a higher fair value.

VM Investments Limited

Notes to the **Financial Statements** CONTINUED

Year ended December 31, 2023

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

In respect of Level 3 instruments, the group recognised in the profit or loss, total gains of $158,000 (2022: nil) as a result of the effects of fair value and foreign exchange rate movements.

The following tables shows a reconciliation from the opening balances to the closing balances for Level 3 fair values.

	Group		
	Convertible preference shares $'000	Unquoted Equities $'000	Total $'000
Balance at 1 January 2022	-	12,748	12,748
Additions	-	72,494	72,494
Disposals	-	(3,990)	(3,990)
Net change in fair value	-	158	158
Effect of changes in foreign exchange rates	-	(160)	(160)
Balance at 31 December 2022	-	81,250	81,250
Additions	845,923	-	845,923
Disposals	-	(4,068)	(4,068)
Net change in fair value	301,849	-	301,849
Effect of changes in foreign exchange rates	15,472	98	15,570
Balance at 31 December 2023	1,163,244	77,280	1,240,524

	Company		
	Convertible preference shares $'000	Unquoted Equities $'000	Total $'000
Balance at 1 January 2022	-	4,617	4,617
Additions	-	72,494	72,494
Net change in fair value	-	158	158
Effect of changes in foreign exchange rates	-	(87)	(87)
Balance at 31 December 2022	-	77,182	77,182
Additions	845,923	-	845,923
Net change in fair value	301,849	-	301,849
Effect of changes in foreign exchange rates	15,472	98	15,570
Balance at 31 December 2023	1,163,244	77,280	1,240,524

VM Investments Limited

Notes to the **Financial Statements** CONTINUED

Year ended December 31, 2023

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 2023

	Carrying amount				Fair value			
	FVOCI $'000	Fair value through profit or loss $'000	Amortise 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	-	1,163,244	-	1,163,244	-	-	1,163,244	1,163,244
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

Group 2023

	Carrying amount				Fair value			
	FVOCI $'000	Fair value through profit or loss $'000	Amortise 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	-	-	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-other excluding prepaid expense	-	-	411,956	411,956	-	411,956	-	411,956
	-	-	7,604,994	7,604,994	-	7,604,994	-	7,604,994
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

Group 2022

	Carrying amount				Fair value			
	FVOCI $'000	Fair value through profit or loss $'000	Amortise cost $'000	Total $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial assets measured at fair value:								
Unquoted equities	-	81,250	-	81,250	-	-	81,250	81,250
Quoted equities	808,350	349,628	-	1,157,978	1,157,978	-	-	1,157,978
Government of Jamaica securities	12,908,977	-	214,486	13,123,463	-	13,121,029	-	13,121,029
Foreign government securities	850,417	-	-	850,417	-	850,417	-	850,417
Other public sector securities	397,309	-	-	397,309	-	397,309	-	397,309
Deferred shares	-	-	410,647	410,647	-	410,647	-	410,647
Corporate bonds	1,488,086	-	62,466	1,550,552	-	1,550,552	-	1,550,552
	16,453,139	430,878	687,599	17,571,616	1,157,978	16,329,954	81,250	17,569,182

VM Investments Limited

Notes to the **Financial Statements** CONTINUED

Year ended December 31, 2023

29. Financial instruments - fair values (continued)

(c) Accounting classifications and fair values (continued)

Group 2022

	Carrying amount				Fair value			
	FVOCI $'000	Fair value through profit or loss $'000	Amortise 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	-	-	1,192,249	1,192,249	-	1,192,249	-	1,192,249
Resale agreements	-	-	752,147	752 147	-	752,147	-	752,147
Net investment in finance leases	-	-	131,462	131,462	-	131,462	-	131,462
Loans receivable	-	-	5,467,380	5,467,380	-	5,467,380	-	5,467,380
Accounts receivable-other excluding prepaid expense	-	-	618,763	618,763	-	618,763	-	618,763
	-	-	8,162,001	8,162,001	-	8,162,001	-	8,162,001
Financial liabilities not measured at fair value:								
Due to ultimate parent society	-	-	441,722	441,722	-	441,722	-	441,722
Borrowings	-	-	7,494,118	7,494,118	-	7,494,118	-	7,494,118
Lease liabilities	-	-	66,345	66,345	-	66,345	-	66,345
Repurchase agreements	-	-	15,589,291	15,589,291	-	15,589,291	-	15,589,291
Accounts payable-other	-	-	2,233,074	2,233,074	-	2,233,074	-	2,233,074
	-	-	25,824,550	25,824,550	-	25,824,550	-	25,824,550

Company 2023

	Carrying amount			Fair value			
	Fair value through profit or loss $'000	Amortise 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
Convertible preference shares	1,163,244	-	1,163,244	-	-	1,163,244	1,163,244
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
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

VM Investments Limited

Notes to the **Financial Statements** CONTINUED

Year ended December 31, 2023

29. Financial instruments - fair values (continued)

(c) Accounting classifications and fair values (continued)

	Company 2022						
	Carrying amount			Fair value			
	Fair value through profit or loss $'000	Amortise cost $'000	Total $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial assets measured at fair value:							
Unquoted equities	77,182	-	77,182	-	-	77,182	77,182
Quoted equities	348,931	-	348,931	348,931	-	-	348,931
Government of Jamaica securities	-	214,486	214,486	-	214,486	-	214,486
Deferred shares	-	410,647	410,647	-	410,647	-	410,647
Corporate bonds	-	62,466	62,466	-	62,466	-	62,466
	426,113	687,599	1,113,712	348,931	687,599	77,182	1,113,712
Financial assets not measured at fair value:							
Cash and cash resources	-	216,608	216,608	-	216,608	-	216,608
Net investment in finance leases	-	131,462	131,462	-	131,462	-	131,462
Loans receivable	-	5,467,380	5,467,380	-	5,467,380	-	5,467,380
Accounts receivable-other excluding prepaid expense	-	116,675	116,675	-	116,675	-	116,675
	-	5,932,125	5,932,125	-	5,932,125	-	5,932,125
Financial liabilities not measured at fair value:							
Due to ultimate parent society	-	193,593	193,593	-	193,593	-	193,593
Due to subsidiary company	-	117,634	117,634	-	117,634	-	117,634
Borrowings	-	7,406,181	7,406,181	-	7,406,181	-	7,406,181
Repurchase agreements	-	195,152	195,152	-	195,152	-	195,152
Accounts payable-other	-	618,941	618,941	-	618,941	-	618,941
	-	8,531,501	8,531,501	-	8,531,501	-	8,531,501

During the year, the group experienced fair value gains/(2022: losses) related to instruments that are measured at FVOCI amounting to $186,855,000 (2022: $1,845,531,000), net of expected credit losses and recycling gains of $675,720,000 (2022: $618,488,000) [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.

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:
   (1) has control or joint control over the group;
   (2) has significant influence over the group; or
   (3) is a member of the key management personnel of the group or of a parent of the group.

30. Related party transactions and balances (continued)

(a) Definition of related party (continued)

A related party is a person or entity that is related to the group (continued).

(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;

(iii) Resale agreements, repurchase agreements, investment securities and loans receivable transactions with related parties have been conducted in the ordinary course of the Group's business at rates and on terms comparable to those with customers that are not related to the Group. Other balances including accounts receivable, accounts payable that is due to or from related parties are unsecured, interest free, and due for settlement within three months after the reporting date.

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 society, fellow subsidiaries, associate of ultimate parent society, key management personnel, including directors and the pension plan.

(c) Identity of related parties

The statement of financial position includes balances, arising in the ordinary course of business, with related parties, as follows:

	Group		Company	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Cash and cash equivalents:				
Fellow subsidiary	57,774	-	10,005	-
Ultimate parent society	-	64,722	-	7,155
Resale agreements:				
Ultimate parent society	-	229,000	-	-
Fellow subsidiary	500,000	-	-	-
Subsidiary	-	-	215,454	-
Repurchase agreements:				
Ultimate parent society	-	679,363	-	-
Subsidiary	-	-	438,000	195,152
Fellow subsidiaries	828,803	-	-	-
Key management personnel, excluding directors	-	8,654	-	-
Investment securities:				
Immediate parent company (ii)	410,467	-	-	-
Ultimate parent society (ii)	-	410,647	-	410,647
Directors	130,030	-	-	-
Key management personnel, excluding directors	2,210	-	-	-
Accounts receivable:				
Ultimate parent society	-	11,249	-	-
Subsidiary	-	-	200	-
Fellow subsidiaries	4,119	2,316	1,997	-
Loans receivable:				
Directors	172,457	1,893	172,457	1,893
Immediate parent company	124,362	-	-	-
Due to ultimate parent society	-	441,722	-	193,593
Due to subsidiary company	-	-	122,538	110,805
Borrowings:				
Directors	6,000	-	6,000	-
Accounts payable – other:				
Fellow subsidiary	57,995	-	-	-
Subsidiary	-	-	441	-
Unit trust funds	-	383,697	-	383,697
Directors	48	-	-	-
Key management personnel, excluding directors	237	70	-	-

VM Investments Limited

Notes to the **Financial Statements** CONTINUED

Year ended December 31, 2023

30. Related party transactions and balances (continued)

(c) Accounting classifications and fair values (continued)

(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. 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 $1,911,000 (2022: a reversal of $93,118,000).

(ii) During the current reporting period, the group exchanged $400,000,000 in deferred shares previously held with the former ultimate parent society for $400,000,000 convertible preference shares now held by the parent company.

(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	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Interest and dividend income:				
Ultimate parent society	-	62,058	-	26,730
Immediate parent company	27,364	-	27,364	-
Subsidiary - interest	-	-	12,978	2,365
Fellow subsidiaries	46,063	-	-	-
Directors	-	361	-	361
Management fee income:				
Immediate parent company	55,2069	-	-	-
Unit trust funds	-	337,460	-	-
Fellow subsidiary	-	7,455	-	-
Property/share swap gain:				
Unit trust funds	-	235,457	-	235,457
Commission expense:				
Subsidiary	-	-	-	35,230
Operating expenses:				
Management fees (included in note 26):				
Fellow subsidiary	91,290	-	-	-
Subsidiary (i)	-	-	13,096	60,776
Payroll related recharges (ii) (included in note 25)				
Immediate parent company	161,997	-	-	-
Fellow subsidiary	161,997	-	-	-
Ultimate parent society	-	257,382	-	-
Interest expense:				
Ultimate parent society	-	27,387	-	-
Subsidiary	-	-	12,241	7,715
Fellow subsidiaries	42,104	-	-	-
Associate of ultimate parent society	-	1,190	-	-
Directors	257	-	-	-
Key management personnel, excluding directors	467	307	-	-
Directors' fees (note 26)	27,312	26,226	15,322	15,170
Short-term employee benefits:				
Key management personnel, excluding directors	92,456	54,071	-	-

30. Related party transactions and balances (continued)

(d) The income statement includes the following income earned from, and expenses incurred in, transactions with related parties, in the ordinary course of business (continued)

(i) 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.

(ii) The group receives support services from its parent company, VM Financial Group Limited, for which payroll costs are recharged.

31. Managed funds and custodial arrangements

The group acts as agent and earns fees for managing clients' funds on a non-recourse basis under management agreements. The group has no legal or equitable right or interest in these funds and, accordingly, they have been excluded from the financial statements. At December 31, 2023, these funds amounted to $33,162,493,000 (2022: $33,919,646,000).

Additionally, at December 31, 2023, there were custodial arrangements for assets totalling $25,231,703,000 (2022: $12,756,472,000).

As at December 31, 2023, the associated company, Carilend, had the following balances under the management of VM Wealth Unit Trust Funds, a related party

	Group and Company	
	2023 $'000	2022 $'000
Investment securities	6,159	966,385
Accounts payable	187	8,569
Borrowings	6,061	964,902

32. 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 $198,844,000 [2022 restated*: $716,588,000], by a weighted average number of ordinary shares held during the year.

	2023	2022
Number of ordinary shares at December 31	1,500,025,000	1,500,025,000
Basic earnings per share (cents)	13¢	48¢

(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 $198,844,000 (2022 restated*: $716,588,000), by a weighted average number of ordinary shares held during the year, after adjustments for the effects of all dilutive potential ordinary shares.

*See note 35

VM Investments Limited

Notes to the **Financial Statements** CONTINUED

Year ended December 31, 2023

32. Earnings per share (continued)

(b) Diluted earnings per share (continued)

	2023	2022
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)	13¢	46¢

33. 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 claim.

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. These contributions are to be made as set forth in drawdown notices to be delivered to the company by Jasmef. As at December 31, 2023, the company had made capital contributions totaling US$622,735 (2022: US$241,660).

34. Changes in material accounting policies

(a) Deferred tax related to assets and liabilities arising from a single transaction

The group previously accounted for deferred tax on leases by applying the “integrally linked” approach, resulting in a similar outcome as under the amendments, except that the deferred tax asset or liability was recognised on a net basis. Following the amendments for Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) from January 1, 2023, the group has recognised a separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right-of-use assets. However, there was no impact on the statement of financial position because the balances qualify for offset under paragraph 74 of IAS 12. There was also no impact on the opening retained earnings as at January 1, 2022 as a result of the change. The key impact for the group relates to disclosure of the deferred tax assets and liabilities recognised (see note 11).

VM Investments Limited

Notes to the **Financial Statements** CONTINUED

Year ended December 31, 2023

34. Changes in material accounting policies (continued)

(b) Material accounting policy information

The group adopted Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) from January 1, 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of “material”, rather than “significant” accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Management reviewed the accounting policies and made updates to the information disclosed in note 3. Material accounting policies (2022: Significant accounting policies) in certain instances in line with the amendments.

35. Prior year adjustments

The following tables summarize the impact of prior period adjustments in respect of the adjustment to the group’s expected credit losses on receivables (note 10) and client settlement account (note 14).

a) Statement of financial position.

	Group 2021			
	Notes	As previously reported $’000	Adjustments $’000	As restated $’000
Cash and cash equivalents	(iii)	684,077	79,480	763,557
Accounts receivable-customers	(i)	227,080	(315,934)	(88,854)
Accounts receivable-customers	(ii)	-	137,133	137,133
Accounts receivable-others		493,574	-	493,574
Deferred tax asset	(i)	333,359	105,311	438,670
Other assets		29,180,522	-	29,180,522
Total assets		30,918,612	5,990	30,924,602
Accounts payable-customers	(iii)	719,915	491,505	1,211,420
Accounts payable-customers	(ii)	-	137,133	137,133
Accounts payable-others		983,634	-	983,634
Other liabilities		25,535,840	-	25,535,840
Equity	(i),(ii)	3,679,223	(622,648)	3,056,575
Total liability and equity		30,918,612	5,990	30,924,602

VM Investments Limited

Notes to the **Financial Statements** CONTINUED

Year ended December 31, 2023

35. Prior year adjustments (continued)

(a) Statement of financial position.

	Group 2022			
	Notes	As previously reported $'000	Adjustments $'000	As restated $'000
Accounts receivable-customers	(i)	325,809	(241,637)	84,172
Accounts receivable-others		600,678	-	600,678
Deferred tax asset	(i)	1,060,163	80,546	1,140,709
Other assets		27,116,233	-	27,116,233
Total assets		29,102,883	(161,091)	28,941,792
Accounts payable-customers	(ii),(iii)	1,081,129	386,585	1,467,714
Accounts payable-others		1,285,949	-	1,285,949
Liabilities		23,699,557	-	23,699,557
Equity	(i),(ii)	3,036,248	(547,676)	2,488,572
Total liability and equity		29,102,883	(161,091)	28,941,792

(b) Income Statement and Other Comprehensive Income

	Group 2022			
	Notes	As previously reported $'000	Adjustments $'000	As restated $'000
Net interest income and other operating revenue		2,336,950	-	2,336,950
Staff costs and other operating costs		(1,521,000)	-	(1,521,000)
Impairment gains on financial assets	(i),(iii)	20,588	99,738	120,326
Profit before income tax		836,538	99,738	936,276
Income tax charge	(i),(iii)	(194,922)	(24,766)	(219,688)
Profit for the year attributable to shareholders of the company	(i),(iii)	641,616	74,972	716,588
Other comprehensive income, net of tax		(1,284,591)	-	(1,284,591)
Total comprehensive loss for the year	(i),(iii)	(642,975)	74,972	(568,003)
Earnings per share (expressed as a ¢ per share)		43¢		48¢

VM Investments Limited

Notes to the **Financial Statements** CONTINUED

Year ended December 31, 2023

35. Prior year adjustments (continued)

(c) Statement of Cash Flows

	Notes	Group 2022 As previously reported $'000	Adjustments $'000	As restated $'000
Profit for the year	(i),(iii)	641,616	74,972	716,588
Adjustments for:				
Impairment gains on financial assets	(i)	(20,588)	(99,738)	(120,326)
Income tax expense	(i)	194,922	24,766	219,688
Other adjustments		(1,128,459)	-	(1,128,459)
Accounts receivable	(ii)	(256,683)	137,133	(119,550)
Accounts payable	(ii),(iii)	843,859	(216,613)	627,246
Other changes in operating assets and liabilities		(2,215,393)	-	(2,215,393)
Net cash used in operating activities		(1,940,726)	(79,480)	(2,020,206)
Net cash provided by investing activities		532,667	-	532,667
Net cash provided by financing activities		1,936,083	-	1,936,083
Net increase in cash and cash equivalents		528,024	(79,480)	448,544
Cash and cash equivalents at beginning of year		684,077	79,480	763,557
Effects of exchange rate fluctuations on cash and cash equivalents		(19,852)	-	(19,852)
Cash and cash equivalents at end of year		1,192,249	-	1,192,249

Notes

(i) During the year, the company performed an evaluation of the accounts receivable balances from customers for impairment in accordance with IFRS 9. The review revealed that an impairment allowance was required for customer balances commencing from the reporting year ended December 31, 2021. Consequently, ECL allowances were established for those accounts receivable customer balances. The deferred tax impact on the ECL adjustments were also considered and reflected in the prior period adjustments.

(ii) As a part of the ECL assessment, credit balances of $137,133,000 which were previously included in accounts receivable for reporting year ended December 31, 2021, have been reclassified to accounts payable. The reclassification was performed for the purpose of presentation in the statement of financial position.

(iii) During the year, the group performed an evaluation of the accounts payable and bank accounts. The review identified that accounts payable and cash and cash equivalents were understated for the years ended December 31, 2021 and 2022.

The impact of the adjustments to the amounts previously reported has been applied retrospectively by adjusting the opening balances of each affected financial statement line item for the earliest period presented.

VM Investments Limited

Notes to the **Financial Statements** CONTINUED

Year ended December 31, 2023

36. Subsequent events

(i) On March 27, 2024, the group sold its 30% shareholding in Carilend Caribbean Holdings Limited to VM Financial Group Limited its parent company for US$4,920,000. To facilitate the sale, the group authorised and extended a loan facility to VM Financial Group Limited for a term of two (2) years at an interest rate of 10.50% per annum.

(ii) On January 19, 2024, the company acquired Republic Funds (Barbados) Incorporated (RFI), having received the approval of regulators in Barbados and Jamaica.

The company's subsidiary, VM Wealth Management Limited through its Barbados Office, has assumed the role of administrator of the Mutual Funds, comprising the Republic Capital Growth Fund, Republic Income Fund and the Republic PropertyFund.

RFI and the Mutual Funds have been renamed as follows:

Former Name	New Name
Republic Funds (Barbados) Incorporated	VM Wealth Funds Limited
Republic Capital Growth Fund	VM Wealth Capital Growth Fund
Republic Income Fund	VM Wealth Income Fund
Republic Property Fund	VM Wealth Property Fund

VM Investments Limited

Transform Your Everyday

Corporate Data

BOARD OF DIRECTORS

Mr Michael McMorris (Chairman)

Mr Matthew Wright

Mr Courtney Campbel

Mr Rezworth Burchenson (CEO)

Ms Bridget Lewis

Mr Devon Barrett

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
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Kingston, Jamaica, WI

CORPORATE OFFICE
73-75 HWT Road, Kingston 10, Jamaica, WI

CORPORATE SECRETARY
Keri-Gaye Brown

ATTORNEYS-AT-LAW
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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
Carilend
Kingston Properties Ltd
Home Choice Enterprises Ltd
Cold Bush Organics

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