

VM INVESTMENTS LIMITED

FINANCIAL STATEMENTS

DECEMBER 31, 2025



KPMG  
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## INDEPENDENT AUDITORS' REPORT

To the Members of  
VM INVESTMENTS LIMITED

### **Report on the Audit of the Financial Statements**

#### *Opinion*

We have audited the separate financial statements of VM Investments Limited (“the company”) and the consolidated financial statements of the company and its subsidiary (“the group”), set out on pages 7 to 117, which comprise the group’s and company’s statements of financial position as at December 31, 2025, the group’s and company’s income statements, statements of comprehensive income, changes in equity and its cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the group and the company as at December 31, 2025, and of the group’s and company’s financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and in the manner required by the Jamaican Companies Act.

#### *Basis for Opinion*

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors’ Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the group and the company in accordance with 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.



INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of  
VM INVESTMENTS LIMITED

**Report on the Audit of the Financial Statements (Continued)**

*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.

| <b>Fair value of level 3 investments</b>  |   |
|---|---|
| <b>The key audit matter<br/>[see notes 6 and 29]</b>  | <b>How the matter was addressed in our audit</b>  |
| <p>The group and company hold level 3 investments of \$1,346,726,000 (2024: \$1,095,591,000) measured at fair value which are instruments for which quoted prices are not available.</p> <p>Valuation of these investments requires the use of unobservable inputs which require significant estimation and the selection of an appropriate valuation method.</p> | <p>Our procedures in this area included the following:</p> <ul style="list-style-type: none"><li>• Assessing the reasonableness of significant assumptions and suitability of the valuation models used by the group and the company.</li><li>• Involving our valuation specialists to determine or obtain yields or prices of specific securities and comparing these yield or prices to those used by the group and the company.</li><li>• Assessing the adequacy of the disclosures, including the degree of estimation uncertainty involved in determining fair values.</li></ul> |



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## INDEPENDENT AUDITORS' REPORT (CONTINUED)

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

In preparing the financial statements, management is responsible for assessing the group's and the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the group and/or the company to cease operations, or has no realistic alternative but to do so.

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



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INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of  
VM INVESTMENTS LIMITED

**Report on the Audit of the Financial Statements (Continued)**

*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 pages 5-6, forms part of our auditors' report.

**Report on additional matters as required by the Jamaican Companies Act**

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

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

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

A handwritten signature of the engagement partner, 'KPMG', in blue ink.

Chartered Accountants  
Kingston, Jamaica

March 31, 2026



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## INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of  
VM INVESTMENTS LIMITED

### **Appendix to the Independent Auditors' Report**

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's and the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's and the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the group and/or the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.



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INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of  
VM INVESTMENTS LIMITED

**Appendix to the Independent Auditors' Report (Continued)**

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

Statement of Financial Position  
December 31, 2025

|  | Notes     | Group             |                   | Company           |                   |
|--|-----------|-------------------|-------------------|-------------------|-------------------|
|  |           | 2025<br>\$'000    | 2024<br>\$'000    | 2025<br>\$'000    | 2024<br>\$'000    |
| <b>ASSETS</b>                                |           |                   |                   |                   |                   |
| Cash and cash equivalents                    | 4         | 681,291           | 1,469,290         | 111,773           | 114,452           |
| Resale agreements                            | 5         | 1,691,192         | 861,775           | -                 | 438,982           |
| Investment securities                        | 6         | 24,739,876        | 19,471,561        | 4,067,587         | 2,259,241         |
| Net investment in finance leases             | 18(b)(i)  | 5,456             | 54,759            | 5,456             | 54,759            |
| Loans receivable                             | 9         | 3,037,131         | 4,102,234         | 3,037,131         | 4,102,234         |
| Accounts receivable and prepayments:         |           |                   |                   |                   |                   |
| Customers                                    | 10        | 100,619           | 130,720           | -                 | -                 |
| Others and prepayments                       | 10        | 651,062           | 455,415           | 196,269           | 160,178           |
| Income tax recoverable                       |           | 281,713           | 252,946           | 198,492           | 139,579           |
| Deferred tax asset                           | 11        | 1,447,678         | 1,354,783         | 224,216           | 189,129           |
| Property, plant and equipment                | 12        | 93,476            | 91,880            | -                 | -                 |
| Intangible asset                             | 13        | 285,927           | 334,704           | 24,580            | 30,924            |
| Interest in subsidiary                       | 8         | -                 | -                 | 1,065,517         | 1,065,517         |
| Interest in associates                       | 7         | <u>2,047,503</u>  | <u>1,875,084</u>  | <u>2,047,503</u>  | <u>1,875,084</u>  |
| <b>TOTAL ASSETS</b>                          |           | <u>35,062,924</u> | <u>30,455,151</u> | <u>10,978,524</u> | <u>10,430,079</u> |
| <b>LIABILITIES AND EQUITY</b>                |           |                   |                   |                   |                   |
| <b>Liabilities:</b>                          |           |                   |                   |                   |                   |
| Due to ultimate parent company               | 32(c)     | 8,366             | 3,840             | 5,496             | 1,044             |
| Due to subsidiary company                    |           | -                 | -                 | 182,165           | 1,810             |
| Due to immediate parent company              | 32(c)     | 147,426           | 128,212           | 19,333            | -                 |
| Borrowings                                   | 17        | 7,006,164         | 8,468,822         | 7,000,510         | 8,455,600         |
| Accounts payable:                            |           |                   |                   |                   |                   |
| Customers                                    | 14        | 1,445,386         | 2,341,955         | -                 | -                 |
| Brokers                                      |           | -                 | 19,084            | -                 | -                 |
| Others                                       | 14        | 970,086           | 864,441           | 328,174           | 241,247           |
| Lease liabilities                            | 18(a)(ii) | 28,492            | 42,385            | -                 | -                 |
| Repurchase agreements                        | 15        | 20,770,682        | 13,933,279        | 1,719,087         | 378,000           |
| Employee benefit obligation                  | 16(b)(i)  | <u>34,400</u>     | <u>35,000</u>     | <u>-</u>          | <u>-</u>          |
| <b>TOTAL LIABILITIES</b>                     |           | <u>30,411,002</u> | <u>25,837,018</u> | <u>9,254,765</u>  | <u>9,077,701</u>  |
| <b>Equity:</b>                               |           |                   |                   |                   |                   |
| Share capital                                | 19        | 707,887           | 707,887           | 707,887           | 707,887           |
| Share premium                                | 19        | 24,000            | 24,000            | 24,000            | 24,000            |
| Investment revaluation reserve               | 20(a)     | ( 780,569)        | ( 791,471)        | ( 20,675)         | -                 |
| Other reserve                                | 20(b)     | 108,812           | 66,420            | 92,279            | 52,420            |
| Retained earnings                            |           | <u>3,041,792</u>  | <u>3,061,297</u>  | <u>920,268</u>    | <u>568,071</u>    |
| Equity attributable to owners of the company |           | 3,101,922         | 3,068,133         | 1,723,759         | 1,352,378         |
| Non-controlling interest                     | 21        | <u>1,550,000</u>  | <u>1,550,000</u>  | <u>-</u>          | <u>-</u>          |
| <b>TOTAL EQUITY</b>                          |           | <u>4,651,922</u>  | <u>4,618,133</u>  | <u>1,723,759</u>  | <u>1,352,378</u>  |
| <b>TOTAL EQUITY AND LIABILITIES</b>          |           | <u>35,062,924</u> | <u>30,455,151</u> | <u>10,978,524</u> | <u>10,430,079</u> |

The financial statements on pages 7 to 117 were approved for issue by the Board of Directors on March 31, 2026 and signed on its behalf by:

  
Director  
Michael McMorris

  
Chief Executive Officer  
Rezworth Burchenson

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

VM INVESTMENTS LIMITED

Income Statements

Year ended December 31, 2025

|   | Notes       | <u>Group</u>       |                    | <u>Company</u>   |                  |
|---|-------------|--------------------|--------------------|------------------|------------------|
|   |             | <u>2025</u>        | <u>2024</u>        | <u>2025</u>      | <u>2024</u>      |
|   |             | <u>\$'000</u>      | <u>\$'000</u>      | <u>\$'000</u>    | <u>\$'000</u>    |
| Interest income calculated using the effective interest method  | 22          | 1,734,628          | 1,725,248          | 675,181          | 790,033          |
| Other interest income:  |             |                    |                    |                  |                  |
| Finance leases  | 22          | 2,563              | 5,698              | 2,563            | 5,698            |
| Other   | 22          | 450                | 16,476             | 450              | 10               |
| Interest expense  | 22          | (1,550,409)        | (1,596,023)        | (793,135)        | (868,391)        |
| Net interest income/(expense)                                   | 22          | <u>187,232</u>     | <u>151,399</u>     | <u>(114,941)</u> | <u>( 72,650)</u> |
| Fees and commissions income                                     | 24          | 1,005,073          | 1,014,789          | 38,922           | 36,265           |
| Gains from investment activities                                | 23          | 1,110,210          | 1,437,398          | 408,874          | 725,820          |
| Dividend income – Quoted equities                               |             | 45,003             | 26,155             | 15,044           | 8,764            |
| Other income  |             | <u>10,406</u>      | <u>13,682</u>      | <u>-</u>         | <u>-</u>         |
| Other operating revenue   |             | <u>2,170,692</u>   | <u>2,492,024</u>   | <u>462,840</u>   | <u>770,849</u>   |
| Net interest and dividend income and other operating revenue    |             | <u>2,357,924</u>   | <u>2,643,423</u>   | <u>347,899</u>   | <u>698,199</u>   |
| Operating expenses  |             |                    |                    |                  |                  |
| Staff costs   | 25          | (1,279,482)        | (1,109,819)        | -                | -                |
| Impairment (losses)/reversals on financial assets               | 28(b)(v)(f) | ( 77,185)          | ( 163,867)         | 23,792           | (268,242)        |
| Other operating costs   | 26          | (1,113,637)        | (1,108,423)        | (217,683)        | (352,539)        |
|   |             | <u>(2,470,304)</u> | <u>(2,382,109)</u> | <u>(193,891)</u> | <u>(620,781)</u> |
| Share of profits in associate                                   | 7           | <u>151,014</u>     | <u>193,370</u>     | <u>151,014</u>   | <u>193,370</u>   |
| Profit before income tax  |             | 38,634             | 454,684            | 305,022          | 270,788          |
| Income tax credit   | 27          | <u>127,341</u>     | <u>101,038</u>     | <u>47,175</u>    | <u>127,406</u>   |
| Profit for the year attributable to shareholders of the company |             | <u>165,975</u>     | <u>555,722</u>     | <u>352,197</u>   | <u>398,194</u>   |
| Earnings per share  |             |                    |                    |                  |                  |
| (expressed as ¢ per share)                                      | 33          | <u>11¢</u>         | <u>37¢</u>         |                  |                  |
| Diluted earnings per share                                      |             |                    |                    |                  |                  |
| (expressed as ¢ per share)                                      | 33          | <u>11¢</u>         | <u>36¢</u>         |                  |                  |

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

VM INVESTMENTS LIMITED

Statements of Comprehensive Income  
Year ended December 31, 2025

|   | Notes        | <u>Group</u>                 |                              | <u>Company</u>               |                              |
|---|--------------|------------------------------|------------------------------|------------------------------|------------------------------|
|   |              | <u>2025</u><br><u>\$'000</u> | <u>2024</u><br><u>\$'000</u> | <u>2025</u><br><u>\$'000</u> | <u>2024</u><br><u>\$'000</u> |
| Profit for the year   |              | <u>165,975</u>               | <u>555,722</u>               | <u>352,197</u>               | <u>398,194</u>               |
| Other comprehensive income (OCI):   |              |                              |                              |                              |                              |
| Items that will never be classified to profit or loss:                              |              |                              |                              |                              |                              |
| Net gains/(losses) on investment in equity instruments designated at FVOCI          | 6            | <u>( 70,890)</u>             | <u>168,300</u>               | <u>-</u>                     | <u>-</u>                     |
| Remeasurement of employee benefit obligation  | 16(b)(i)     | <u>3,800</u>                 | <u>( 9,900)</u>              | <u>-</u>                     | <u>-</u>                     |
| Deferred tax on remeasurement of employee benefit obligation                        | 11           | <u>( 1,267)</u>              | <u>3,300</u>                 | <u>-</u>                     | <u>-</u>                     |
|   |              | <u>2,533</u>                 | <u>( 6,600)</u>              | <u>-</u>                     | <u>-</u>                     |
|   |              | <u>( 68,357)</u>             | <u>161,700</u>               | <u>-</u>                     | <u>-</u>                     |
| Item that may be reclassified to profit or loss:                                    |              |                              |                              |                              |                              |
| Currency translation adjustment on investment in associate                          | 7, 20(b)(ii) | <u>39,859</u>                | <u>14,648</u>                | <u>39,859</u>                | <u>14,648</u>                |
| Change in fair value of debt securities at FVOCI, net of expected credit losses     | 29(c)        | <u>133,027</u>               | <u>31,197</u>                | <u>( 20,675)</u>             | <u>-</u>                     |
| Deferred tax on change in fair value of investment securities measured at FVOCI     | 11           | <u>( 51,235)</u>             | <u>( 10,398)</u>             | <u>-</u>                     | <u>-</u>                     |
|   |              | <u>81,792</u>                | <u>20,799</u>                | <u>( 20,675)</u>             | <u>-</u>                     |
| Total other comprehensive income, net of tax  |              | <u>53,294</u>                | <u>197,147</u>               | <u>19,184</u>                | <u>14,648</u>                |
| Total comprehensive income for the year attributable to shareholders of the company |              | <u>219,269</u>               | <u>752,869</u>               | <u>371,381</u>               | <u>412,842</u>               |

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

VM INVESTMENTS LIMITED

Consolidated Statement of Changes in Equity  
Year ended December 31, 2025

|  | <u>Attributions by owners of the company</u>    |   |   |  |  |                        | <u>Non-<br/>controlling<br/>interest</u><br>(note 21)<br>\$'000 | <u>Total<br/>equity</u><br>\$'000 |
|--|---|---|---|--|--|------------------------|---|-----------------------------------|
|  | <u>Share<br/>capital</u><br>(note 19)<br>\$'000 | <u>Share<br/>premium</u><br>(note 19)<br>\$'000 | <u>Investment<br/>revaluation<br/>reserve</u><br>[note 20(a)]<br>\$'000 | <u>Other<br/>reserve</u><br>[note 20(b)]<br>\$'000 | <u>Retained<br/>earnings</u><br>\$'000 | <u>Total</u><br>\$'000 |   |                                   |
|  |   |   |   |  |  |                        |   |                                   |
| <b>Balances at December 31, 2023</b>   | 707,887   | 24,000  | (980,570)   | 58,372   | 2,690,520                              | 2,500,209              | 1,550,000   | 4,050,209                         |
| <b>Comprehensive income:</b>   |   |   |   |  |  |                        |   |                                   |
| Profit for the year  | -   | -   | -   | -  | 555,722                                | 555,722                | -   | 555,722                           |
| Other comprehensive income:  |   |   |   |  |  |                        |   |                                   |
| Currency translation adjustment on investment in associate   | -   | -   | -   | 14,648   | -                                      | 14,648                 | -   | 14,648                            |
| Change in fair value of debt securities, net of deferred tax and expected credit losses                      | -   | -   | 20,799  | -  | -                                      | 20,799                 | -   | 20,799                            |
| Change in fair value of equities at FVOCI  | -   | -   | 168,300   | -  | -                                      | 168,300                | -   | 168,300                           |
| Remeasurement of employee benefit obligation, net of deferred tax  | -   | -   | -   | ( 6,600)   | -                                      | ( 6,600)               | -   | ( 6,600)                          |
| Total other comprehensive income   | -   | -   | 189,099   | 8,048  | -                                      | 197,147                | -   | 197,147                           |
| Total comprehensive income for the year  | -   | -   | 189,099   | 8,048  | 555,722                                | 752,869                | -   | 752,869                           |
| Transactions with owners:  |   |   |   |  |  |                        |   |                                   |
| Dividends declared but not paid to immediate parent company [(note 31(c))]                                   | -   | -   | -   | -  | ( 57,443)                              | ( 57,443)              | -   | ( 57,443)                         |
| Dividends declared and paid to equity holders [(note 31(b))]   | -   | -   | -   | -  | ( 127,502)                             | ( 127,502)             | -   | ( 127,502)                        |
| Total transactions with owners   | -   | -   | -   | -  | ( 184,945)                             | ( 184,945)             | -   | ( 184,945)                        |
| <b>Balances at December 31, 2024</b>   | 707,887   | 24,000  | (791,471)   | 66,420   | 3,061,297                              | 3,068,133              | 1,550,000   | 4,618,133                         |
| <b>Comprehensive income:</b>   |   |   |   |  |  |                        |   |                                   |
| Profit for the year  | -   | -   | -   | -  | 165,975                                | 165,975                | -   | 165,975                           |
| Other comprehensive income:  |   |   |   |  |  |                        |   |                                   |
| Currency translation adjustment on investment in associate   | -   | -   | -   | 39,859   | -                                      | 39,859                 | -   | 39,859                            |
| Change in fair value of debt securities, net of deferred tax and expected credit losses                      | -   | -   | 81,792  | -  | -                                      | 81,792                 | -   | 81,792                            |
| Change in fair value of equities at FVOCI  | -   | -   | ( 70,890)   | -  | -                                      | ( 70,890)              | -   | ( 70,890)                         |
| Remeasurement of employee benefit obligation, net of deferred tax  | -   | -   | -   | 2,533  | -                                      | 2,533                  | -   | 2,533                             |
| Total other comprehensive income   | -   | -   | 10,902  | 42,392   | -                                      | 53,294                 | -   | 53,294                            |
| Total comprehensive income for the year  | -   | -   | 10,902  | 42,392   | 165,975                                | 219,269                | -   | 219,269                           |
| Transactions with owners:  |   |   |   |  |  |                        |   |                                   |
| Dividends declared but paid to immediate parent company [(note 31(a)), being total transactions with owners] | -   | -   | -   | -  | ( 185,480)                             | ( 185,480)             | -   | ( 185,480)                        |
| <b>Balances at December 31, 2025</b>   | <b>707,887</b>                                  | <b>24,000</b>                                   | <b>(780,569)</b>  | <b>108,812</b>                                     | <b>3,041,792</b>                       | <b>3,101,922</b>       | <b>1,550,000</b>  | <b>4,651,922</b>                  |

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

VM INVESTMENTS LIMITEDCompany Statement of Changes in Equity  
Year ended December 31, 2025

|   | <u>Share<br/>capital</u><br>(note 19)<br>\$'000 | <u>Share<br/>premium</u><br>(note 19)<br>\$'000 | <u>Investment<br/>revaluation<br/>reserve</u><br>\$'000 | <u>Other<br/>reserve</u><br>[note 20(b)]<br>\$'000 | <u>Retained<br/>earnings</u><br>\$'000 | <u>Total</u><br>\$'000 |
|---|---|---|---|--|--|------------------------|
| <b>Balance at December 31, 2023</b>   | 707,887   | 24,000  | -   | 37,772   | 297,379                                | 1,067,038              |
| Profit for the year   | -   | -   | -   | -  | 398,194                                | 398,194                |
| Other comprehensive income:   |   |   |   |  |  |                        |
| Currency translation adjustment<br>on investment in associate                                 | -   | -   | -   | 14,648   | -                                      | 14,648                 |
| Total comprehensive income for the year   | -   | -   | -   | 14,648   | 398,194                                | 412,842                |
| Transactions with owners:   |   |   |   |  |  |                        |
| Dividends declared and paid to equity<br>holders [note 31(b)]                                 | -   | -   | -   | -  | (127,502)                              | (127,502)              |
| <b>Balance at December 31, 2024</b>   | 707,887   | 24,000  | -   | 52,420   | 568,071                                | 1,352,378              |
| Profit for the year   | -   | -   | -   | -  | 352,197                                | 352,197                |
| Other comprehensive income:   |   |   |   |  |  |                        |
| Currency translation adjustment<br>on investment in associate                                 | -   | -   | -   | 39,859   | -                                      | 39,859                 |
| Change in fair value of debt<br>securities, net of deferred tax and<br>expected credit losses | -   | -   | (20,675)  | -  | -                                      | (20,675)               |
| Total comprehensive income for the year   | -   | -   | (20,675)  | 39,859   | 352,197                                | 371,381                |
| <b>Balance at December 31, 2025</b>   | <u>707,887</u>                                  | <u>24,000</u>                                   | <u>(20,675)</u>   | <u>92,279</u>                                      | <u>920,268</u>                         | <u>1,723,759</u>       |

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

VM INVESTMENTS LIMITEDStatements of Cash Flows  
Year ended December 31, 2025

|   | Notes       | Group                 |                         | Company               |                       |
|---|-------------|-----------------------|-------------------------|-----------------------|-----------------------|
|   |             | 2025<br>\$'000        | 2024<br>\$'000          | 2025<br>\$'000        | 2024<br>\$'000        |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>                        |             |                       |                         |                       |                       |
| Profit for the year   |             | 165,975               | 555,722                 | 352,197               | 398,194               |
| Adjustments for:  |             |                       |                         |                       |                       |
| Depreciation  | 12          | 25,970                | 26,452                  | -                     | -                     |
| Amortisation of intangible assets                                   | 13          | 66,961                | 78,440                  | 9,783                 | 6,286                 |
| Share of profits in associate                                       | 7           | ( 151,014)            | ( 193,370)              | ( 151,014)            | ( 193,370)            |
| Impairment losses on financial assets                               | 28(b)(v)(f) | 77,185                | 163,867                 | ( 23,792)             | 268,242               |
| Change in employee benefit obligation                               |             | 3,200                 | 2,200                   | -                     | -                     |
| Amortisation of transaction costs                                   |             | 28,601                | -                       | 28,601                | 68,886                |
| Unrealised exchange gains on<br>foreign currency balances           |             | ( 16,811)             | 66,390                  | ( 9,957)              | ( 1,511)              |
| Gains from investment activities                                    |             | ( 1,110,210)          | ( 1,437,398)            | ( 408,874)            | ( 725,820)            |
| Interest income   | 22          | ( 1,737,640)          | ( 1,747,422)            | ( 678,193)            | ( 795,741)            |
| Dividend income   |             | (45,003)              | ( 26,155)               | ( 15,044)             | ( 8,764)              |
| Interest expense  | 22          | 1,546,796             | 1,591,093               | 793,135               | 868,391               |
| Interest expense on lease liabilities                               | 18(a)(v)    | 3,613                 | 4,930                   | -                     | -                     |
| Income tax credit   | 27          | ( <u>127,341</u> )    | ( <u>101,038</u> )      | ( <u>47,175</u> )     | ( <u>127,406</u> )    |
|   |             | ( 1,269,718)          | ( 1,016,289)            | ( 150,333)            | ( 242,613)            |
| Changes in:   |             |                       |                         |                       |                       |
| Due to ultimate parent company                                      |             | 4,526                 | ( 120,522)              | 4,452                 | 1,044                 |
| Due to immediate parent company                                     |             | 19,214                | 128,212                 | 19,333                | -                     |
| Due to subsidiary company   |             | -                     | -                       | 180,355               | ( 177,794)            |
| Loans receivable  |             | 1,092,315             | 1,040,899               | 1,092,315             | 1,040,899             |
| Resale agreements   |             | ( 774,165)            | 712,252                 | 438,982               | ( 223,288)            |
| Accounts receivable and prepayments                                 |             | ( 25,474)             | ( 117,394)              | 13,578                | ( 33,148)             |
| Accounts payable  |             | ( 916,643)            | 962,003                 | 92,602                | ( 109,367)            |
| Repurchase agreements   |             | <u>6,580,560</u>      | ( <u>490,446</u> )      | <u>1,321,201</u>      | ( <u>60,000</u> )     |
|   |             | 4,710,615             | 1,098,715               | 3,012,485             | 195,733               |
| Interest received   |             | 1,615,372             | 1,959,193               | 631,667               | 753,753               |
| Interest paid   |             | ( 1,504,954)          | ( 1,631,605)            | ( 799,458)            | ( 873,921)            |
| Income tax received/(paid)  |             | -                     | ( 15,965)               | ( 46,824)             | ( 20,139)             |
| Net cash provided by operating activities                           |             | <u>4,821,033</u>      | <u>1,410,338</u>        | <u>2,797,870</u>      | <u>55,426</u>         |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>                        |             |                       |                         |                       |                       |
| Acquisition of property, plant and equipment                        | 12          | ( 27,564)             | ( 8,738)                | -                     | -                     |
| Acquisition of intangible assets                                    | 13          | ( 18,184)             | ( 114,600)              | -                     | ( 2,136)              |
| Proceeds from finance lease repayments                              |             | 49,303                | 37,968                  | 49,303                | 37,968                |
| Purchase of investment securities                                   |             | (80,268,190)          | (62,307,272)            | (2,898,998)           | (1,551,199)           |
| Proceeds from sale of investment securities                         |             | 76,264,069            | 61,830,330              | 1,498,153             | 1,730,792             |
| Dividends received  |             | <u>64,643</u>         | <u>76,390</u>           | <u>34,684</u>         | <u>58,999</u>         |
| Net cash (used in)/provided by investing activities                 |             | ( <u>3,935,923</u> )  | ( <u>485,922</u> )      | ( <u>1,316,858</u> )  | <u>274,424</u>        |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>                        |             |                       |                         |                       |                       |
| Proceeds from loans and borrowings                                  | 17          | 1,780,570             | 1,670,091               | 1,780,570             | 1,670,091             |
| Repayment of loans and borrowings                                   | 17          | ( 3,220,637)          | ( 1,865,155)            | (3,220,637)           | (1,846,932)           |
| Transaction costs incurred on loans and borrowings                  | 17          | ( 43,624)             | -                       | ( 43,624)             | ( 12,394)             |
| Payment of lease liabilities  | 18(a)(v)    | ( 13,893)             | ( 12,576)               | -                     | -                     |
| Dividends paid  |             | ( <u>185,481</u> )    | ( <u>127,502</u> )      | -                     | ( <u>127,502</u> )    |
| Net cash used in financing activities                               |             | ( <u>1,683,065</u> )  | ( <u>335,142</u> )      | ( <u>1,483,691</u> )  | ( <u>316,737</u> )    |
| Net (decrease)/increase in cash and cash equivalents                |             | ( 797,955)            | 589,274                 | ( 2,679)              | 13,113                |
| Cash and cash equivalents at beginning of year                      |             | 1,469,290             | 877,655                 | 114,452               | 101,332               |
| Effect of exchange rate movements on cash and cash equivalents held |             | <u>9,956</u>          | <u>2,361</u>            | -                     | <u>7</u>              |
| <b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>                     | 4           | <u><u>681,291</u></u> | <u><u>1,469,290</u></u> | <u><u>111,773</u></u> | <u><u>114,452</u></u> |

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

VM INVESTMENTS LIMITED

Notes to the Financial Statements  
Year ended December 31, 2025

1. Identification

VM Investments Limited (“the company”) is incorporated and domiciled in Jamaica. The company’s registered office is located at 6-10 Duke Street, Kingston, Jamaica. Under an approved Scheme of Arrangement for the restructuring of the Victoria Mutual Building Society (former parent society) and its subsidiaries, a new mutual holding company, VM Group Limited, along with a new financial holding company, VM Financial Group Limited were incorporated on February 1, 2024. Effectively, this meant that VM Group Limited became the new ultimate parent company and VM Financial Group Limited became the immediate parent company. Both the parent company and the ultimate parent company are domiciled in Jamaica.

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

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

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

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

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

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

Effective December 30, 2023, the company acquired a 23% interest in Kingston Properties Limited (KPREIT), a company incorporated and domiciled in Jamaica that invests in real estate assets (note 7). KPREIT ordinary shares are listed on the Jamaica Stock Exchange.

2. Basis of preparation

(a) Statement of compliance

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

VM INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)  
Year ended December 31, 2025

2. Basis of preparation (continued)

(a) Statement of compliance (continued)

**New and amended standards that became effective during the year:**

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

**New and amended standards issued but not yet effective:**

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

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

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

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

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 and standards may have on its future financial statements.

VM INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)  
Year ended December 31, 2025

2. Basis of preparation (continued)

## (a) Statement of compliance (continued)

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

- Amendments to IFRS 9 *Financial Instruments* will apply to annual periods beginning on or after January 1, 2026. Entities may choose to early adopt these amendments.

Derecognition of a financial liability through electronic transfer:

The amendment allows the Company to deem a financial liability or part thereof that will be settled in cash using an electronic payment system to be discharged before the settlement date if specified criteria are met. An entity that elects to apply the derecognition option would be required to apply it to all settlements made through the same electronic payment system.

The amendment will affect the Company for the first time in its 2026 financial statements. The amendment is not expected to have a significant impact. “

## (b) Basis of measurement

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

- (i) Debt instruments at fair value through other comprehensive income (FVOCI), measured at fair value.
- (ii) Equity securities at fair value through profit or loss (FVTPL), measured at fair value.
- (iii) Certain equity securities designated as at FVOCI, measured at fair value.
- (iv) Post-employment medical benefit obligation measured at the present value of the obligation as set out in note 3(g)(iii).

## (c) Functional and presentation currency

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

## (d) Use of estimates and judgements

The preparation of the financial statements requires management to make judgements, as well as estimates, based on assumptions, that affect the application of accounting policies, and the reported amounts of, and disclosures relating to, assets, liabilities, contingent assets and contingent liabilities at the reporting date and the income and expenses for the year then ended. Actual amounts may differ from these estimates.

VM INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)  
Year ended December 31, 2025

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 Accounting Standards that may have a significant effect on the financial statements and significant estimate with a significant risk of material adjustment in the next financial year.

Key assumptions and other sources of estimation uncertainty:

## Fair value of financial instruments

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

3. Material accounting policies

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

## (a) Basis of consolidation

## (i) Business combinations

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

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

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

VM INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)  
Year ended December 31, 2025

3. Material accounting policies (continued)

## (a) Basis of consolidation (continued)

## (i) Business combinations (continued)

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

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

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

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

## (ii) Subsidiary

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

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

VM INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)  
Year ended December 31, 2025

3. Material accounting policies (continued)

## (a) Basis of consolidation (continued)

## (iii) Loss of control

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

## (iv) Transactions eliminated on consolidation

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

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

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

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

## (i) Recognition and initial measurement

The group recognises a financial instrument when it becomes a party to the contractual terms of the instrument. The group initially recognises accounts receivable on the date when they are originated. All other financial assets and financial liabilities are initially recognised on the trade date.

At initial recognition, the group measures a financial asset or financial liability at its fair value, plus or minus; in the case of a financial asset or financial liability not at fair value through profit or loss transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commissions. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit or loss over the life of the financial instruments.

Immediately after initial recognition, an expected credit loss allowance (ECL) is recognised for financial assets measured at amortised cost and investments in debt instruments measured at FVOCI, which results in an accounting loss being recognised in profit or loss when an asset is newly originated.

VM INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)  
Year ended December 31, 2025

3. Material accounting policies (continued)

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

## (ii) Classification and subsequent remeasurement

The group has applied IFRS 9 and classified its financial assets in the following measurement categories:

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

**Financial assets**

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

## (a) Debt instruments

Classification and subsequent measurement of debt instruments depend on:

- the group's business model for managing the asset; and
- the cash flow characteristics of the asset.

Based on these factors, the group classifies its debt instruments into one of the following two measurement categories:

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

VM INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)  
Year ended December 31, 2025

3. Material accounting policies (continued)

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

(ii) Classification and subsequent remeasurement (continued)

**Financial assets (continued)**

(a) Debt instruments (continued)

Factors considered by the group in determining the business model for a group of assets include:

1. Past experience on how the cash flows for these assets were collected;
2. How the asset's performance is evaluated and reported to key management personnel;
3. How risks are assessed and managed; and
4. How managers are compensated.

For example, securities held for trading are held principally for the purpose of selling in the near term or are part of a portfolio of financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. These securities are classified in the 'other' business model and measured at FVTPL.

*Solely payments of principal and interest (SPPI):* Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the company assesses whether the financial instruments' cash flows represent solely payments of principal and interest (the 'SPPI test'). In making this assessment, the group considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

The group reclassifies debt investments when and only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent, and none occurred during the period.

VM INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)  
Year ended December 31, 2025

3. Material accounting policies (continued)

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

(ii) Classification and subsequent remeasurement (continued)

**Financial assets (continued)**

(b) Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

The group subsequently measures all equity investments at fair value through profit or loss, except where the group's management has elected, at initial recognition, to irrevocably designate an equity investment at FVOCI. Equity securities designated at FVOCI are held for business strategic reason and are not traded.

Gains and losses on equity investments at FVTPL are included in the 'Gains from investment activities' caption in the income statement.

**Financial liabilities**

Financial liabilities are classified as and subsequently measured at amortised cost.

(iii) Derecognition

The group derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in other comprehensive income (OCI) is recognised in profit or loss. For debt instruments, any cumulative gains or losses that had been recognised in other comprehensive income are recycled through the income statement.

Any cumulative gains or losses recognised in OCI in respect of equity investment securities designated as at FVOCI are not recognised in profit or loss on derecognition of such securities [note 3(b)(iii)]. Any interest in transferred financial assets that qualify for derecognition that is created or retained by the group is recognised as a separate asset or liability.

VM INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)  
Year ended December 31, 2025

3. Material accounting policies (continued)

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

## (iii) Derecognition (continued)

The group enters into transactions whereby it transfers assets recognised on its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets or a portion of them. In such cases, the transferred assets are not derecognised. Examples of such transactions are securities lending and sale-and-repurchase transactions.

In transactions in which the group neither retains nor transfers substantially all of the risks and rewards of ownership of a financial asset and it retains control over the asset, the group continues to recognise the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset.

In addition, other qualitative factors, such as the currency that the instrument is denominated in, changes in the type of interest rate, new conversion features attached to the instrument and change in covenants are also taken into consideration. If an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment.

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

## (iv) Measurement and gains and losses

The 'investment securities' caption in the statement of financial position includes:

- debt investment securities measured at amortised cost which are initially measured at fair value plus incremental direct transaction costs, and subsequently at their amortised cost using the effective interest method;
- debt securities measured at FVOCI;
- equity investment securities measured at FVTPL with fair value changes recognised immediately in profit or loss and;
- equity investment securities designated as at FVOCI.

For debt securities measured at FVOCI, gains and losses are recognised in OCI, except for the following, which are recognised in profit or loss in the same manner as for financial assets measured at amortised cost:

- interest revenue using the effective interest method;
- ECL charges and reversals; and
- foreign exchange gains and losses.

VM INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)  
Year ended December 31, 2025

3. Material accounting policies (continued)

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

## (iv) Measurement and gains and losses (continued)

When debt security measured at FVOCI is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss.

The group elects to present in OCI changes in the fair value of certain investments in equity instruments that are not held for trading. The election is made on an instrument-by-instrument basis on initial recognition and is irrevocable.

Gains and losses on such equity instruments are never reclassified to profit or loss and no impairment is recognised in profit or loss. Dividends are recognised in profit or loss unless they clearly represent a recovery of part of the cost of the investment, in which case they are recognised in OCI. Cumulative gains and losses recognised in OCI are transferred to retained earnings on disposal of an investment.

## Specific financial instruments

## (1) Derivatives

Derivatives are financial instruments that derive their value from the price of the underlying items such as equities, bond, interest rate, foreign exchange or other indices. Derivatives enable users to increase, reduce or alter exposure to credit or market risk.

The group may use derivatives to manage its own exposure to foreign exchange risk. Derivatives held for risk management purposes are measured initially at fair value in the statement of financial position. Subsequent to initial recognition, derivatives are measured at fair value, and, if the derivative is not held for trading, and is not designated in a qualifying hedge relationship, changes in fair value are recognised immediately in profit or loss.

## (2) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents comprise short-term highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value and are held for the purpose of meeting short-term commitments (these investments include short-term deposits where the maturities do not exceed three months from the acquisition date). Cash and cash equivalents are measured and classified at amortised cost.

VM INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)  
Year ended December 31, 2025

3. Material accounting policies (continued)

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

## (iv) Measurement and gains and losses (continued)

## Specific financial instruments (continued)

## (3) Resale and repurchase agreements

Resale agreements are accounted for as short-term collateralised lending and classified at amortised cost. They are measured at fair value on initial recognition and subsequently, at amortised cost. The difference between the purchase cost and the resale consideration is recognised in the income statement as interest income using the effective interest method.

The group enters into transactions whereby it transfers assets but retains either all risks or rewards of the transferred assets or a portion of them. If all or substantially all risks and rewards are retained, then the transferred assets are not derecognised. Transfers of assets with retention of all or substantially all risks and rewards include, for example, securities lending and repurchase transactions. Repurchase agreements are accounted for as short-term collateralised borrowing and are classified as other liabilities. On initial recognition and subsequently, the securities given as collateral are retained in the statement of financial position and measured in accordance with their original measurement principles.

The proceeds of sale are reported as liabilities and are carried at amortised cost. The difference between the sale consideration and the repurchase price is recognised in the income statement over the life of each agreement as interest expense using the effective interest method.

## (4) Accounts receivable

Accounts receivable (excluding prepayments) are classified and measured at amortised cost less impairment losses. Withholding taxes deducted and withheld from source of income such as dividends and/or interest income is measured at amortised cost. General consumption taxes (GCT) which are value added taxes in the local jurisdiction are recoverable from tax authorities and deducted from amounts payable. Withholding taxes and GCT payable or recoverable are measured at amortised cost.

## (5) Accounts payable

Accounts payable are classified and measured at amortised cost.

VM INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)  
Year ended December 31, 2025

3. Material accounting policies (continued)

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

## (v) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted under IFRS, or for gains and losses arising from a group of similar transactions such as in the group's trading activity.

## (vi) Impairment

The group recognises loss allowances for expected credit losses (ECL) on the following financial instruments that are not measured at FVTPL:

- financial assets that are debt instruments; and
- lease receivables.

The group measures loss allowances at an amount equal to lifetime ECL, except for the following, for which they are measured as 12-month ECL:

- debt investment securities that are determined to have low credit risk at the reporting date; and
- other financial instruments (other than lease receivables) on which credit risk has not increased significantly since their initial recognition.

Loss allowances for lease receivables are always measured at an amount equal to lifetime ECL.

The group considers a debt investment security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'. The group does not apply the low credit risk exemption to any other financial instruments.

12-month ECL are the portion of ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Financial instruments for which a 12-month ECL is recognised are referred to as 'Stage 1 financial instruments'.

Lifetime ECL are the ECL that result from all possible default events over the expected life of the financial instrument. Financial instruments for which a lifetime ECL is recognised but which are not credit-impaired are referred to as 'Stage 2 financial instruments'.

VM INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)  
Year ended December 31, 2025

3. Material accounting policies (continued)

## (b) 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.

VM INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)  
Year ended December 31, 2025

3. Material accounting policies (continued)

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

## (vi) Impairment (continued)

*Credit-impaired financial assets (continued)*

In making an assessment of whether an investment in sovereign debt is credit-impaired, the group considers the following factors.

- The market's assessment of creditworthiness as reflected in the bond yields.
- The rating agencies' assessments of creditworthiness.
- The country's ability to access the capital markets for new debt issuance.
- The probability of the debt being restructured, resulting in holders suffering losses through voluntary or mandatory debt forgiveness.
- The international support mechanisms in place to provide the necessary support as 'lender of last resort' to that country, as well as the intention, reflected in public statements, of governments and agencies to use those mechanisms. This includes an assessment of the depth of those mechanisms and, irrespective of the political intent, whether there is the capacity to fulfil the required criteria.

*Presentation of allowance for ECL in the statement of financial position*

Allowances for ECL are presented in the statement of financial position as follows:

- financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets.
- debt instruments measured at FVOCI: no loss allowance is recognised in the statement of financial position because the carrying amount of these assets is their fair value. However, the loss is recognised in profit or loss as a reclassification from OCI.

*Write-off*

Loans, accounts receivable and debt securities are written off (either partially or in full) when there is no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. This assessment is carried out at the individual asset level.

Recoveries of amounts previously written off are included in 'impairment losses on financial instruments' in the statement of profit or loss and OCI.

Financial assets that are written off could still be subject to enforcement activities in order to comply with the company's procedures for recovery of amounts due.

VM INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)  
Year ended December 31, 2025

3. Material accounting policies (continued)

## (c) Interest in associates

Associates are those entities in which the group has significant influence, but not control or joint control, over the financial and operating policies. Interest in associate is accounted for using the equity method for the group and company.

It is recognised separately and initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the group's and the company's share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence ceases.

When the group's and company's share of losses exceeds its interest in an associate, the group's and company's carrying amount is reduced to \$Nil and recognition of further losses is discontinued, except to the extent that the group and company has incurred legal or constructive obligations or made payments on behalf of an associate. If the associate subsequently reports profits, the group and company resumes recognising their share of those profits only after their share of profits equals the share of accumulated losses not recognised.

## (d) Foreign currencies

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated at the foreign exchange rates ruling at that date. Transactions in foreign currencies are translated at the foreign exchange rates ruling at the date of the transaction. Gains and losses arising on translation are recognised in profit or loss.

## (e) Property, plant and equipment

Land is measured at historical cost. All other items of property, plant and equipment are measured at historical cost less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied in the part will flow to the group and its cost can be reliably measured.

The cost of day-to-day servicing of property, plant and equipment is recognised in profit or loss as incurred.

VM INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)  
Year ended December 31, 2025

3. Material accounting policies (continued)

## (e) Property, plant and equipment (continued)

Depreciation is charged on the straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. The estimated useful lives are as follows:

|  |                              |
|--|------------------------------|
| Computers                                  | 5 years                      |
| Furniture and fixtures                     | 10 years                     |
| Leasehold improvements                     | 5 years                      |
| Right-of-use assets (leasehold properties) | 7-10 years (over lease-term) |
| Buildings                                  | 40 years                     |

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

## (f) Intangible assets

## Computer software

Costs that are directly associated with acquiring identifiable and unique software products which are expected to generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Costs associated with maintaining computer software programs are recognised in profit or loss as incurred.

## Exclusive rights

Exclusive rights arise from the acquisition of VM Wealth Funds Limited [*formerly* Republic Funds (Barbados) Incorporated] and represent the group's exclusive right to benefit from the management of the Funds and to appoint the manager of the Funds.

## Amortisation

These assets are measured at cost less accumulated amortisation and, if any, impairment losses [note (3)(i)]. Intangible assets are amortised using the straight-line method over their useful lives.

The estimated useful lives are as follows:

|                   |           |
|-------------------|-----------|
| Computer software | 5-7 years |
| Exclusive rights  | 20 years  |

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

VM INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)  
Year ended December 31, 2025

3. Material accounting policies (continued)

## (g) Employee benefits

## (i) General benefits

Employee benefits that are earned as a result of past or current service are recognised in the following manner: Short-term employee benefits are recognised as a liability, net of payments made, and charged as expense. The expected cost of vacation leave that accumulates is recognised when the employee becomes entitled to the leave. Post-employment benefits are accounted for as described in (ii) and (iii) below. Other long-term benefits, including termination benefits, which arise when either (1) the employer decides to terminate an employee's employment before the normal retirement date or (2) an employee decides to accept voluntary redundancy in exchange for termination benefits, are accrued as they are earned and charged as an expense, unless not considered material, in which case they are charged when they fall due.

Post-employment obligations included in these financial statements are actuarially determined by a qualified independent actuary. The appointed actuary's report outlines the scope of the valuation and the actuary's opinion. The actuarial valuation was conducted in accordance with IAS 19, and the financial statements reflect the group's post-employment benefit obligations as computed by the actuary.

## (ii) Defined-benefit pensions

The subsidiary company is a participating employer in a group defined-benefit pension plan operated by a related party. The related party is directly responsible for any deficit in the plan. Additionally, all residual interest in the scheme belongs to the related party. The plan is, therefore, accounted for as a defined-contribution plan in the financial statements of the individual participating subsidiaries. Each year, the sponsoring entity charges a contribution to each of the group entities on an annual basis, based on the contributions recommended by the actuary.

The subsidiary company also participates in a defined contribution plan [see note 16(a)]. Pension contributions are expensed as they become due.

## (iii) Employee medical benefits

The subsidiary company provides post-employment medical benefits to retirees.

The group's net obligation in respect of medical benefits provided to retirees is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that value is discounted to determine the present value.

VM INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)  
Year ended December 31, 2025

3. Material accounting policies (continued)

## (g) Employee benefits (continued)

## (iii) Employee medical benefits (continued)

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.

## (h) Income tax

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in profit or loss, except to the extent that it relates to items recognised directly in other comprehensive income, in which case it is also recognised in other comprehensive income.

Current income tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the reporting date, and any adjustment to income tax payable in respect of previous years.

Deferred income tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on laws that have been enacted by the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for the group. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

VM INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)  
Year ended December 31, 2025

3. Material accounting policies (continued)

## (i) Impairment of non-financial assets

The carrying amounts of the group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount.

The recoverable amount of non-financial assets is the greater of its value in use and its fair value less costs to sell.

Impairment losses are recognised in the income statement.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

## (j) Leases

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

## (a) As a lessee

At commencement or on modification of a contract that contains a lease component, the group allocates the consideration in the contracts to each lease component on the basis of its relative stand-alone prices.

Non-lease components have been separated for leases of properties.

The group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the group by the end of the lease term or the cost of the right-of-use asset reflects that the group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

VM INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)  
Year ended December 31, 2025

3. Material accounting policies (continued)

## (j) Leases (continued)

## (a) As a lessee (continued)

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the group's incremental borrowing rate. Generally, the group uses its incremental borrowing rate as the discount rate.

The group determines its incremental borrowing rate by obtaining interest rates from The Victoria Mutual Building Society and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the group is reasonably certain to exercise, lease payments in an optional renewal period if the company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the company is reasonably certain not to terminate early.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the group's estimate of the amount expected to be payable under a residual value guarantee, if the group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The group presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities as such in the statement of financial position.

**Short-term leases**

The group has elected not to recognise right-of-use assets and lease liabilities for lease that are considered short-term leases. The group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

VM INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)  
Year ended December 31, 2025

3. Material accounting policies (continued)

## (j) Leases (continued)

## (b) As a lessor

At inception or on modification of a contract that contains a lease component, the group allocates the consideration in the contract to each lease component on the basis of their relative standalone prices.

When the group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

If an arrangement contains lease and non-lease components, then the group applies IFRS 15 to allocate the consideration in the contract.

The group applies the derecognition and impairment requirements in IFRS 9 to the net investment in the lease. The group further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

## (k) Interest

## (i) Effective interest rate

Interest income and expenses are recognised in profit or loss using the effective interest method.

When calculating the effective interest rate for financial instruments other than purchased or originated credit-impaired assets, the group estimates future cash flows considering all contractual terms of the financial instrument, but not ECL. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated using estimate future cash flows including ECL.

The calculation of the effective interest rate includes transaction costs and fees and points paid or received that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or financial liability.

## (ii) Presentation

Interest income calculated using the effective interest method presented in the income statement includes interest on financial assets measured at amortised cost and interest on debt instruments measured at FVOCI; interest expense presented in the income statement includes financial liabilities measured at amortised cost and interest expense on lease liabilities.

VM INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)  
Year ended December 31, 2025

3. Material accounting policies (continued)

## (l) Gain or loss from trading and holding securities

Gain or loss on securities trading is recognised when the group becomes a party to a contract to dispose of the securities, or, in the case of financial assets measured at fair value, upon remeasurement of those assets.

## (m) Dividend income

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

## (n) Fee and commission income

Fee and commission income from contracts with customers is measured based on the consideration specified in a contract with a customer. The group recognises revenue when it transfers control over a service to a customer.

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies.

| Type                        | Nature and timing of satisfaction of performance obligation, including significant payment term  | Revenue recognition under IFRS 15  |
|-----------------------------|--|--|
| Brokerage services          | <p>The group provides stockbroking services to customers.</p> <p>A fixed fee is charged for each transaction executed.</p>   | Revenue related to transactions is recognised at the point in time when the transaction takes place. |
| Corporate advisory services | <p>The group provides finance-related services including loan administration services, administration of a loan syndication, execution of client transactions with exchanges and securities underwriting.</p> <p>Transaction-based fees for administration of a loan syndication, execution of transactions, and securities underwriting are charged when the transaction takes place.</p> | Revenue related to transactions is recognised at the point in time when the transaction takes place. |

VM INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)  
Year ended December 31, 2025

3. Material accounting policies (continued)

## (n) Fee and commission income (continued)

| <b>Type</b>                        | <b>Nature and timing of satisfaction of performance obligation, including significant payment term</b>   | <b>Revenue recognition under IFRS 15</b>   |
|------------------------------------|--|--|
| Portfolio asset management service | <p>The group provides portfolio/asset management services.</p> <p>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.</p> | Revenue from portfolio/asset management services is recognised over time as the services are provided. |

## (o) Share capital

The company's ordinary shares are classified as equity instruments in accordance with the substance of the contractual terms of the instrument. Dividends thereon are recognised when declared as distributions within equity.

Incremental costs directly attributable to the issue of an equity instrument are deducted from the initial measurement of the equity instrument.

## (p) Segment reporting

An operating segment is a component of the group that engages in business activities from which it may earn revenues and incur expenses; whose operating results are regularly reviewed by the entity's Chief Operating Decision Maker (CODM) to make decisions about resources to be allocated to the segment and assesses its performance; and for which discrete financial information is available. The group's activities are limited to revenue earned from securities, operating in a single segment, therefore no additional segment information is provided.

VM INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)  
Year ended December 31, 2025

4. Cash and cash equivalents

|                       | <u>Group</u>                 |                              | <u>Company</u>               |                              |
|-----------------------|------------------------------|------------------------------|------------------------------|------------------------------|
|                       | <u>2025</u><br><u>\$'000</u> | <u>2024</u><br><u>\$'000</u> | <u>2025</u><br><u>\$'000</u> | <u>2024</u><br><u>\$'000</u> |
| Bank accounts         | 655,939                      | 1,435,520                    | 111,773                      | 114,452                      |
| Accounts with brokers | <u>25,352</u>                | <u>33,770</u>                | <u>-</u>                     | <u>-</u>                     |
|                       | <u>681,291</u>               | <u>1,469,290</u>             | <u>111,773</u>               | <u>114,452</u>               |

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').

|  | <u>Group</u>                 |                              |
|--|------------------------------|------------------------------|
|  | <u>2025</u><br><u>\$'000</u> | <u>2024</u><br><u>\$'000</u> |
| Denominated in Jamaica dollars   | -                            | 500,000                      |
| Denominated in United States dollars<br>[US\$10,641,590 (2024: US\$2,325,000)] | <u>1,691,219</u>             | <u>361,775</u>               |
|  | 1,691,219                    | 861,775                      |
| Less allowance for expected credit losses [note 28(b)(v)(d)]                   | <u>(27)</u>                  | <u>-</u>                     |
|  | <u>1,691,192</u>             | <u>861,775</u>               |

|   | <u>Company</u>               |                              |
|---|------------------------------|------------------------------|
|   | <u>2025</u><br><u>\$'000</u> | <u>2024</u><br><u>\$'000</u> |
| Denominated in Jamaica dollars  | -                            | 410,974                      |
| Denominated in United States dollars<br>[US \$Nil (2024: US \$180,000)] | <u>-</u>                     | <u>28,008</u>                |
|   | <u>-</u>                     | <u>438,982</u>               |

Under collateralised resale agreements, the group obtains securities as collateral on terms which permit it to re-pledge or resell them to others under repurchase agreements as set out in note 15. At December 31, 2025, securities that the group and company held under repurchase arrangements had a fair value of \$1,807,618,000 (2024: \$931,372,000) and \$Nil (2024: \$450,309,000), respectively.

VM INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)  
Year ended December 31, 2025

6. Investment securities

|  | <u>Group</u>          |                       | <u>Company</u>        |                       |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
|  | <u>2025</u><br>\$'000 | <u>2024</u><br>\$'000 | <u>2025</u><br>\$'000 | <u>2024</u><br>\$'000 |
| <b>Investment securities at FVTPL:</b>   |                       |                       |                       |                       |
| Unquoted equities  | 245,935               | 77,320                | 245,935               | 77,320                |
| Quoted equities  | 343,088               | 382,557               | 342,017               | 381,789               |
| Redeemable preference shares   | -                     | 216,920               | -                     | 216,920               |
| US\$ convertible preference share<br>[US\$ 6,842,569 (2024:US\$ 5,144,997)]          | 1,087,458             | 801,351               | 1,087,458             | 801,351               |
| Convertible corporate note   | 13,333                | 14,153                | 13,333                | 14,153                |
| Unit trusts:   |                       |                       |                       |                       |
| Unit in trust funds  | -                     | 595,455               | -                     | 224,786               |
|  | <u>1,689,814</u>      | <u>2,087,756</u>      | <u>1,688,743</u>      | <u>1,716,319</u>      |
| <b>Debt securities at amortised cost:</b>  |                       |                       |                       |                       |
| Corporate bonds  | 1,024,998             | 553,227               | 1,024,998             | 553,227               |
| Preference shares  | 64,000                | 365,000               | -                     | -                     |
|  | <u>1,088,998</u>      | <u>918,227</u>        | <u>1,024,998</u>      | <u>553,227</u>        |
| <b>Investment securities at FVOCI:</b>   |                       |                       |                       |                       |
| Jamaica quoted equities  | <u>607,404</u>        | <u>678,300</u>        | -                     | -                     |
| <b>Debt securities at FVOCI:</b>   |                       |                       |                       |                       |
| Government of Jamaica securities:  |                       |                       |                       |                       |
| Treasury bills   | -                     | 1,000                 | -                     | -                     |
| Investment notes   | 7,658,033             | 5,499,841             | -                     | -                     |
| US\$ bonds [US\$64,812,906<br>(2024: US\$43,743,425)]                                | <u>10,237,924</u>     | <u>6,647,761</u>      | <u>1,356,603</u>      | -                     |
|  | <u>17,895,957</u>     | <u>12,148,602</u>     | <u>1,356,603</u>      | -                     |
| Bank of Jamaica securities:  |                       |                       |                       |                       |
| Certificates of deposit  | 941,462               | 824,068               | -                     | -                     |
| Foreign government securities:   |                       |                       |                       |                       |
| US\$ bonds [US\$5,529,985<br>(2024: US\$5,799,025)]                                  | 878,855               | 902,341               | -                     | -                     |
| Other public sector securities   |                       |                       |                       |                       |
| US\$ [US\$62,199 (2024: US\$308,631)]  | 9,885                 | 16,130                | -                     | -                     |
| Corporate bonds  |                       |                       |                       |                       |
| US\$ [US\$5,121,900 (2024: US\$4,711,122)]   | 814,000               | 1,178,500             | -                     | -                     |
| J\$ Corporate bonds  | <u>817,173</u>        | <u>733,061</u>        | -                     | -                     |
|  | <u>1,631,173</u>      | <u>1,911,561</u>      | -                     | -                     |
| [Note 28(b)(iv)]   | <u>21,357,332</u>     | <u>15,802,702</u>     | <u>1,356,603</u>      | -                     |
| Total investment securities before<br>allowance for impairment                       | 24,743,548            | 19,486,985            | 4,070,344             | 2,269,546             |
| Less allowance for impairment on instruments<br>at amortised cost [note 28(b)(v)(d)] | ( 3,672)              | ( 15,424)             | ( 2,757)              | ( 10,305)             |
|  | <u>24,739,876</u>     | <u>19,471,561</u>     | <u>4,067,587</u>      | <u>2,259,241</u>      |
| Allowance for impairment on debt<br>investments at FVOCI [note 28(b)(iv)(d)]         | ( 32,761)             | ( 23,283)             | ( 575)                | -                     |

VM INVESTMENTS LIMITEDNotes to the Financial Statements (Continued)  
Year ended December 31, 20256. Investment securities (continued)

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

|   | <b>Group</b>     |                |                    |                   |                  | <b>Total</b>      |
|---|------------------|----------------|--------------------|-------------------|------------------|-------------------|
|   | <b>2025</b>      |                |                    |                   |                  |                   |
|   | <b>Current</b>   |                | <b>Non-current</b> |                   |                  |                   |
| <b>Within 3</b>                           | <b>3 months</b>  | <b>1 to 5</b>  | <b>More than</b>   | <b>No</b>         |                  |                   |
| <b>month</b>                              | <b>to 1 year</b> | <b>years</b>   | <b>5 years</b>     | <b>maturity</b>   |                  |                   |
| <b>\$'000</b>                             | <b>\$'000</b>    | <b>\$'000</b>  | <b>\$'000</b>      | <b>\$'000</b>     | <b>\$'000</b>    |                   |
| <b>Investment securities at FVTPL</b>     |                  |                |                    |                   |                  |                   |
| Unquoted equities                         | -                | -              | -                  | -                 | 245,935          | 245,935           |
| Quoted equities                           | -                | -              | -                  | -                 | 343,088          | 343,088           |
| US\$ convertible preference shares        | -                | -              | 1,087,458          | -                 | -                | 1,087,458         |
| Convertible corporate note                | -                | -              | 13,333             | -                 | -                | 13,333            |
|   | <u>-</u>         | <u>-</u>       | <u>1,100,791</u>   | <u>-</u>          | <u>589,023</u>   | <u>1,689,814</u>  |
| <b>Debt securities at amortised cost:</b> |                  |                |                    |                   |                  |                   |
| Corporate bonds                           | 435,000          | -              | 291,000            | 298,998           | -                | 1,024,998         |
| Preference shares                         | -                | -              | 64,000             | -                 | -                | 64,000            |
|   | <u>435,000</u>   | <u>-</u>       | <u>355,000</u>     | <u>298,998</u>    | <u>-</u>         | <u>1,088,998</u>  |
| <b>Investment securities at FVOCI:</b>    |                  |                |                    |                   |                  |                   |
| Jamaican quoted equities                  | -                | -              | -                  | -                 | 607,404          | 607,404           |
| <b>Debt instruments at FVOCI:</b>         |                  |                |                    |                   |                  |                   |
| Bank of Jamaica securities                | 98,235           | -              | 803,899            | 39,328            | -                | 941,462           |
| Investment notes                          | 60,118           | -              | 4,143,361          | 3,454,554         | -                | 7,658,033         |
| Treasury bills                            | -                | -              | -                  | -                 | -                | -                 |
| US\$ bonds                                | -                | -              | 2,527,260          | 7,710,664         | -                | 10,237,924        |
| Foreign government securities             | -                | 394,056        | 478,872            | 5,927             | -                | 878,855           |
| Other public sector securities            | -                | -              | 9,885              | -                 | -                | 9,885             |
| Corporate bonds                           | 208,000          | 54,831         | 657,031            | 711,311           | -                | 1,631,173         |
|   | <u>366,353</u>   | <u>448,887</u> | <u>8,620,308</u>   | <u>11,921,784</u> | <u>-</u>         | <u>21,357,332</u> |
|   | <u>801,353</u>   | <u>448,887</u> | <u>10,076,099</u>  | <u>12,220,782</u> | <u>1,196,427</u> | <u>24,743,548</u> |

VM INVESTMENTS LIMITEDNotes to the Financial Statements (Continued)  
Year ended December 31, 20256. Investment securities (continued)

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

|   | <b>Group</b>     |                |                    |                  |                  | <b>Total</b>      |
|---|------------------|----------------|--------------------|------------------|------------------|-------------------|
|   | <b>2024</b>      |                |                    |                  |                  |                   |
|   | <b>Current</b>   |                | <b>Non-current</b> |                  |                  |                   |
| <b>Within 3</b>                           | <b>3 months</b>  | <b>1 to 5</b>  | <b>More than</b>   | <b>No</b>        |                  |                   |
| <b>month</b>                              | <b>to 1 year</b> | <b>years</b>   | <b>5 years</b>     | <b>maturity</b>  |                  |                   |
| <b>\$'000</b>                             | <b>\$'000</b>    | <b>\$'000</b>  | <b>\$'000</b>      | <b>\$'000</b>    | <b>\$'000</b>    | <b>\$'000</b>     |
| <b>Investment securities at FVTPL:</b>    |                  |                |                    |                  |                  |                   |
| Unquoted equities                         | -                | -              | -                  | -                | 77,320           | 77,320            |
| Quoted equities                           | -                | -              | -                  | -                | 382,557          | 382,557           |
| Redeemable preference shares              | -                | -              | 216,920            | -                | -                | 216,920           |
| US\$ convertible preference shares        | -                | -              | 801,351            | -                | -                | 801,351           |
| Convertible corporate note                | -                | -              | -                  | 14,153           | -                | 14,153            |
| Unit in unit trust funds                  | -                | -              | -                  | -                | 595,455          | 595,455           |
|   | <u>-</u>         | <u>-</u>       | <u>1,018,271</u>   | <u>14,153</u>    | <u>1,055,332</u> | <u>2,087,756</u>  |
| <b>Debt securities at amortised cost:</b> |                  |                |                    |                  |                  |                   |
| Corporate bonds                           | -                | -              | 459,982            | 93,335           | -                | 553,227           |
| Preference shares                         | -                | -              | 365,000            | -                | -                | 365,000           |
|   | <u>-</u>         | <u>-</u>       | <u>824,982</u>     | <u>93,335</u>    | <u>-</u>         | <u>918,227</u>    |
| <b>Investment securities at FVOCI:</b>    |                  |                |                    |                  |                  |                   |
| Jamaican quoted equities                  | -                | -              | -                  | -                | 678,300          | 678,300           |
| <b>Debt instruments at FVOCI:</b>         |                  |                |                    |                  |                  |                   |
| Bank of Jamaica securities                | 824,068          | -              | -                  | -                | -                | 824,068           |
| Investment notes                          | 299,118          | 537            | 1,952,745          | 3,247,441        | -                | 5,499,841         |
| Treasury bills                            | 1,000            | -              | -                  | -                | -                | 1,000             |
| US\$ bonds                                | -                | 178,717        | 2,411,869          | 4,057,175        | -                | 6,647,761         |
| Foreign government securities             | -                | -              | 598,728            | 303,613          | -                | 902,341           |
| Other public sector securities            | -                | -              | 16,130             | -                | -                | 16,130            |
| Corporate bonds                           | -                | -              | 1,178,500          | 733,061          | -                | 1,911,561         |
|   | <u>1,124,186</u> | <u>179,254</u> | <u>6,157,972</u>   | <u>8,341,290</u> | <u>-</u>         | <u>15,802,702</u> |
|   | <u>1,124,186</u> | <u>179,254</u> | <u>8,001,135</u>   | <u>8,448,778</u> | <u>1,733,632</u> | <u>19,486,985</u> |

VM INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)  
Year ended December 31, 2025

6. Investment securities (continued)

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

|   | <u>Company</u>  |                    |                  |                | <u>Total</u>     |
|---|-----------------|--------------------|------------------|----------------|------------------|
|   | <u>2025</u>     |                    |                  |                |                  |
|   | <u>Current</u>  | <u>Non-current</u> |                  |                |                  |
|   | <u>3 months</u> | <u>1 to 5</u>      | <u>More than</u> | <u>No</u>      |                  |
| <u>to 1 year</u>                          | <u>years</u>    | <u>5 years</u>     | <u>maturity</u>  |                |                  |
| <u>\$'000</u>                             | <u>\$'000</u>   | <u>\$'000</u>      | <u>\$'000</u>    | <u>\$'000</u>  |                  |
| <b>Investment securities at FVTPL:</b>    |                 |                    |                  |                |                  |
| Unquoted equities                         | -               | -                  | -                | 245,935        | 245,935          |
| Quoted equities                           | -               | -                  | -                | 342,017        | 342,017          |
| Redeemable preference shares              | -               | -                  | -                | -              | -                |
| US\$ convertible preference shares        | -               | 1,087,458          | -                | -              | 1,087,458        |
| Convertible corporate note                | -               | 13,333             | -                | -              | 13,333           |
|   | <u>-</u>        | <u>1,100,791</u>   | <u>-</u>         | <u>587,952</u> | <u>1,688,743</u> |
| <b>Debt securities at amortised cost:</b> |                 |                    |                  |                |                  |
| Corporate bonds                           | 435,000         | 291,000            | 298,998          | -              | 1,024,998        |
| <b>Debt instruments at FVOCI:</b>         |                 |                    |                  |                |                  |
| US\$ bonds                                | -               | 1,734              | 1,354,869        | -              | 1,356,603        |
|   | <u>-</u>        | <u>1,393,525</u>   | <u>1,653,867</u> | <u>587,952</u> | <u>4,070,344</u> |

|   | <u>Company</u>  |                    |                  |                | <u>Total</u>     |
|---|-----------------|--------------------|------------------|----------------|------------------|
|   | <u>2024</u>     |                    |                  |                |                  |
|   | <u>Current</u>  | <u>Non-current</u> |                  |                |                  |
|   | <u>3 months</u> | <u>1 to 5</u>      | <u>More than</u> | <u>No</u>      |                  |
| <u>to 1 year</u>                          | <u>years</u>    | <u>5 years</u>     | <u>maturity</u>  |                |                  |
| <u>\$'000</u>                             | <u>\$'000</u>   | <u>\$'000</u>      | <u>\$'000</u>    | <u>\$'000</u>  |                  |
| <b>Investment securities at FVTPL:</b>    |                 |                    |                  |                |                  |
| Unquoted equities                         | -               | -                  | -                | 77,320         | 77,320           |
| Quoted equities                           | -               | -                  | -                | 381,789        | 381,789          |
| Redeemable preference shares              | -               | 216,920            | -                | -              | 216,920          |
| US\$ convertible preference shares        | -               | 801,351            | -                | -              | 801,351          |
| Convertible corporate note                | -               | -                  | 14,153           | -              | 14,153           |
| Unit in trust funds                       | -               | -                  | -                | 224,786        | 224,786          |
|   | <u>-</u>        | <u>1,018,271</u>   | <u>14,153</u>    | <u>683,895</u> | <u>1,716,319</u> |
| <b>Debt securities at amortised cost:</b> |                 |                    |                  |                |                  |
| Corporate bonds                           | -               | 459,989            | 93,335           | -              | 553,227          |
|   | <u>-</u>        | <u>1,478,260</u>   | <u>107,488</u>   | <u>683,895</u> | <u>2,269,546</u> |

VM INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)  
Year ended December 31, 2025

6. Investment securities (continued)

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 \$42,601,000 (2024: \$44,233,000) 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 \$42,601,000 (2024: \$44,233,000).

**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.

|  | <b>Group</b>                  |                |                                   |               |
|--|-------------------------------|----------------|-----------------------------------|---------------|
|  | <b>Jamaica Stock Exchange</b> |                |                                   |               |
|  | <b>Fair value</b>             |                | <b>Dividend income recognised</b> |               |
|  | <u>2025</u>                   | <u>2024</u>    | <u>2025</u>                       | <u>2024</u>   |
|  | <u>\$'000</u>                 | <u>\$'000</u>  | <u>\$'000</u>                     | <u>\$'000</u> |
| At beginning of year                                     | 678,300                       | 510,000        |                                   |               |
| Net fair value (losses)/gains recognised during the year | ( 70,896)                     | <u>168,300</u> | <u>29,959</u>                     | <u>17,392</u> |
| At end of year   | <u>607,404</u>                | <u>678,300</u> |                                   |               |

None of these investments were disposed of during the year ended December 31, 2025 (2024: \$Nil). The change in fair value on these investments was \$70,896,000 for the year ended December 31, 2025 (2024: \$168,300,000).

**Debt instruments designated at FVOCI**

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

|  | <b>Group</b>      |                   |
|--|-------------------|-------------------|
|  | <u>2025</u>       | <u>2024</u>       |
|  | <u>\$'000</u>     | <u>\$'000</u>     |
| Balance at beginning of year                       | 15,802,702        | 15,086,118        |
| New debt instruments originated or purchased       | 80,268,190        | 60,291,072        |
| Debt instruments derecognised                      | (74,738,556)      | (59,421,722)      |
| Purchased premiums amortised                       | ( 279,451)        | ( 266,524)        |
| Fair value gains recognised during the year in OCI | 121,069           | 38,114            |
| Effect of changes in foreign exchange rates        | <u>183,378</u>    | <u>75,644</u>     |
| Balance at end of year                             | <u>21,357,332</u> | <u>15,802,702</u> |

VM INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)  
Year ended December 31, 2025

6. Investment securities (continued)**Debt instruments designated at FVOCI (continued)**

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

|  | <b>Company</b>   |               |
|--|------------------|---------------|
|  | <u>2025</u>      | <u>2024</u>   |
|  | <b>\$'000</b>    | <b>\$'000</b> |
| Balance at beginning of year                       | -                | -             |
| New debt instruments originated or purchased       | 2,901,643        | -             |
| Debt instruments derecognised                      | (1,519,022)      | -             |
| Purchased premiums amortised                       | ( 2,287)         | -             |
| Fair value gains recognised during the year in OCI | ( 23,731)        | -             |
| Balance at end of year                             | <u>1,356,603</u> | <u>-</u>      |

**Involvement with unconsolidated structured entities**

The Group has concluded that the unlisted closed-end investment fund in which it holds an interest, but does not consolidate, meets the definition of a structured entity because:

- Control is not primarily determined by voting rights, but rather by contractual arrangements which dictate how the fund operates and who has power over it;
- The fund's activities are restricted by its operating agreement and are subject to compliance with the regulations outlined Financial Services Commission; and
- The fund has well-defined objectives to provide investment opportunities to investors.

The table below describes the type of structured entity that the Group does not consolidate but in which it holds an interest:

| <u>Type of structured entity</u>  | <u>Nature and purpose</u>   | <u>Interest held by the Group</u>   |
|---|---|---|
| Unit Trusts and funds - a unit trust scheme, comprising of a diverse portfolio of investments | Private equity funds intended to generate risk adjusted returns by generating current income and capital appreciation through equity or debt investments and properties | A contractual agreement for management and registrar services resulting in fee income and related receivables |

VM INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)  
Year ended December 31, 2025

6. Investment securities (continued)**Involvement with unconsolidated structured entities (continued)**

During the year the group exited its investment in the unit trust funds. The table below sets out interests held by the Group in the unconsolidated structured entity. The maximum exposure to loss is the carrying amount of the financial assets held.

|  |                                     | <b>Group<br/>2025</b>                 | <b>Company</b>             |
|--|-------------------------------------|---------------------------------------|----------------------------|
|  | <b>Number of<br/>Investee funds</b> | <b>Carrying<br/>Amount<br/>\$'000</b> | <b>Carrying<br/>Amount</b> |
| Investment in unlisted closed-end investment fund (see note 6) | -                                   | <u>-</u>                              | <u>-</u>                   |
| Fee income receivable  | 10                                  | <u>69,125</u>                         | <u>-</u>                   |

|  |                                     | <b>Group<br/>2024</b>                 | <b>Company</b>             |
|--|-------------------------------------|---------------------------------------|----------------------------|
|  | <b>Number of<br/>Investee funds</b> | <b>Carrying<br/>Amount<br/>\$'000</b> | <b>Carrying<br/>Amount</b> |
| Investment in unlisted closed-end investment fund (see note 6) | 1                                   | <u>595,455</u>                        | <u>224,786</u>             |
| Fee income receivable  | 12                                  | <u>80,556</u>                         | <u>-</u>                   |

During the year ended December 31, 2025, the Group provided no financial support (2024: \$Nil) to the unconsolidated structured fund.

7. Interest in associates

|  | <b>Group and Company</b>      |                               |
|--|-------------------------------|-------------------------------|
|  | <b><u>2025</u><br/>\$'000</b> | <b><u>2024</u><br/>\$'000</b> |
| Carrying amount of interest in associates: |                               |                               |
| Kingston Properties Limited (KPREIT)       | <u>2,047,503</u>              | <u>1,875,084</u>              |

VM INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)  
Year ended December 31, 2025

7. Interest in associates (continued)

Effective December 30, 2023, the company acquired 23% shareholding in Kingston Properties Limited (KPREIT).

The following table summarises the financial information of KPREIT as included in its own audited financial statements as at and for the year ended December 31, 2025 adjusted for fair value adjustments. The financial statements of KPREIT are denominated in United States dollars.

|   | <u>Group and Company</u> |                         |
|---|--------------------------|-------------------------|
|   | <u>2025</u>              | <u>2024</u>             |
|   | \$'000                   | \$'000                  |
| <b>Percentage ownership interest in KPREIT</b>          | <u>23%</u>               | <u>23%</u>              |
| Non-current assets                                      | 13,600,541               | 12,550,102              |
| Current assets  | <u>1,347,781</u>         | <u>924,396</u>          |
| Total assets  | <u>14,948,322</u>        | <u>13,474,498</u>       |
| Non-current liabilities                                 | ( 5,413,780)             | ( 4,824,510)            |
| Current liabilities                                     | <u>( 724,610)</u>        | <u>( 587,778)</u>       |
| Total liabilities                                       | <u>( 6,138,390)</u>      | <u>( 5,412,288)</u>     |
| Net assets (100%)                                       | <u>8,809,932</u>         | <u>8,062,210</u>        |
| Group's share of net assets                             | 2,026,284                | 1,854,309               |
| Goodwill and intangible asset recognised on acquisition | <u>21,219</u>            | <u>20,775</u>           |
| <b>Carrying amount of interest in KPREIT</b>            | <u><b>2,047,503</b></u>  | <u><b>1,875,084</b></u> |
| Revenue   | <u>1,350,044</u>         | <u>1,474,158</u>        |
| Profit from continuing operations                       | <u>652,239</u>           | <u>840,737</u>          |
| <b>Share of profit from continuing operations</b>       | <u><b>151,014</b></u>    | <u><b>193,370</b></u>   |
| <b>Dividend</b>   | <u><b>18,454</b></u>     | <u><b>52,194</b></u>    |

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

|  | <u>Group and Company</u> |                  |
|--|--------------------------|------------------|
|  | <u>2025</u>              | <u>2024</u>      |
|  | \$'000                   | \$'000           |
| At beginning of year                       | 1,875,084                | 1,719,260        |
| Share of profit from continuing operations | 151,014                  | 193,370          |
| Currency translation adjustment            | 39,859                   | 14,648           |
| Dividends received during the year         | <u>( 18,454)</u>         | <u>( 52,194)</u> |
| At end of year                             | <u>2,047,503</u>         | <u>1,875,084</u> |

VM INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)  
Year ended December 31, 2025

7. Interest in associates (continued)

The fair value of the interest in KPREIT indicated by its quoted price on the Jamaica Stock Exchange as at December 31 2025 was J\$1,911,770,000 (2024: J\$1,921,939,000).

The recoverable amount for the associate has been calculated based on its value in use, determined by discounting the future cash flows expected to be generated from the associate.

No impairment losses were recognised during the year ended December 31, 2025 (2024: \$Nil) because the recoverable amounts of the interest in associate was determined to be higher than its carrying amounts.

8. Interest in subsidiary

|   | <u>Company</u>        |                       |
|---|-----------------------|-----------------------|
|   | <u>2025</u><br>\$'000 | <u>2024</u><br>\$'000 |
| Shares in subsidiary – VM Wealth Management Limited       | 1,009,500             | 1,009,500             |
| Contribution to subsidiary – VM Wealth Management Limited | <u>56,017</u>         | <u>56,017</u>         |
|   | <u>1,065,517</u>      | <u>1,065,517</u>      |

On January 19, 2024, the company acquired VM Wealth Funds Limited [*formerly* Republic Funds (Barbados) Incorporated] having received the approval of regulators in Barbados and Jamaica. The acquisition of the stated capital in VM Wealth Funds Limited for the aggregate amount of \$56,017,000 confers only the exclusive rights for the company to manage and appoint the investment manager for the funds. Consequently, the acquisition is recognised as a contribution to the subsidiary company.

The company's subsidiary, VM Wealth Management Limited has been appointed as administrator of the mutual funds, comprising:

VM Wealth Capital Growth Fund (*formerly* Republic Capital Growth Fund)  
 VM Wealth Income Fund (*formerly* Republic Income Fund)  
 VM Wealth Property Fund (*formerly* Republic Property Fund)

VM INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)  
Year ended December 31, 2025

9. Loans receivable

|  | <u>Group and Company</u> |                  |
|--|--------------------------|------------------|
|  | <u>2025</u>              | <u>2024</u>      |
|  | <u>\$'000</u>            | <u>\$'000</u>    |
| Margin loans   | 1,624,264                | 2,752,059        |
| Corporate loans  | <u>1,957,766</u>         | <u>1,911,893</u> |
|  | 3,582,030                | 4,663,952        |
| Less allowance for impairment on instruments at<br>amortised cost [note 28(b)(v)(d)] | ( 544,899)               | ( 561,718)       |
|  | <u>3,037,131</u>         | <u>4,102,234</u> |

The following table shows the movement in gross carrying value of loan receivable:

|   | <u>Group and Company</u> |                  |
|---|--------------------------|------------------|
|   | <u>2025</u>              | <u>2024</u>      |
|   | <u>\$'000</u>            | <u>\$'000</u>    |
| At beginning of year                        | 4,663,952                | 4,941,038        |
| New loans granted                           | 849,281                  | 1,200,096        |
| Loan repayments                             | (1,945,913)              | (1,476,439)      |
| Effect of changes in foreign exchange rates | <u>14,710</u>            | <u>( 743)</u>    |
| At end of year                              | <u>3,582,030</u>         | <u>4,663,952</u> |

10. Accounts receivable and prepayments

|                      | <u>Group</u>   |                | <u>Company</u> |                |
|----------------------|----------------|----------------|----------------|----------------|
|                      | <u>2025</u>    | <u>2024</u>    | <u>2025</u>    | <u>2024</u>    |
|                      | <u>\$'000</u>  | <u>\$'000</u>  | <u>\$'000</u>  | <u>\$'000</u>  |
| Customer receivables | <u>100,619</u> | <u>130,720</u> | -              | -              |
| Interest receivable  | 474,382        | 324,311        | 156,702        | 82,928         |
| GCT recoverable      | 7,242          | 8,647          | 7,242          | 8,647          |
| Dividend receivable  | 2,084          | 3,270          | 2,084          | 3,270          |
| Prepaid expenses     | 56,920         | 26,192         | 13,601         | 8,130          |
| Other receivables    | <u>110,434</u> | <u>92,995</u>  | <u>16,641</u>  | <u>57,203</u>  |
|                      | <u>651,062</u> | <u>455,415</u> | <u>196,270</u> | <u>160,178</u> |
|                      | <u>751,681</u> | <u>586,135</u> | <u>196,270</u> | <u>160,178</u> |

VM INVESTMENTS LIMITEDNotes to the Financial Statements (Continued)  
Year ended December 31, 202510. Accounts receivable and prepayments (continued)

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

|   | <u>Group</u>   |                  |
|---|----------------|------------------|
|   | <u>2025</u>    | <u>2024</u>      |
|   | <u>\$'000</u>  | <u>\$'000</u>    |
| At beginning of the year                            | 129,250        | 231,316          |
| Increase/(decrease) in allowance [note 28(b)(v)(f)] | <u>96,025</u>  | <u>(102,066)</u> |
| At end of year [note 28(b)(v)(e)]                   | <u>225,275</u> | <u>129,250</u>   |

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

|  | <u>Group</u>       |                   |                     |
|--|--------------------|-------------------|---------------------|
|  | <u>2025</u>        |                   |                     |
|  | <u>Included in</u> | <u>Other</u>      | <u>Total</u>        |
|  | <u>interest</u>    | <u>accounts</u>   | <u>[note 32(c)]</u> |
|  | <u>receivable</u>  | <u>receivable</u> | <u>\$'000</u>       |
|  | <u>\$'000</u>      | <u>\$'000</u>     | <u>\$'000</u>       |
| Due from immediate parent company [note 32(c)] | 40,410             | -                 | 40,410              |
| Due from related parties [note 32(c)]          | <u>-</u>           | <u>39,622</u>     | <u>39,622</u>       |

|  | <u>Company</u>     |                   |                     |
|--|--------------------|-------------------|---------------------|
|  | <u>2025</u>        |                   |                     |
|  | <u>Included in</u> | <u>Other</u>      | <u>Total</u>        |
|  | <u>interest</u>    | <u>accounts</u>   | <u>[note 32(c)]</u> |
|  | <u>receivable</u>  | <u>receivable</u> | <u>\$'000</u>       |
|  | <u>\$'000</u>      | <u>\$'000</u>     | <u>\$'000</u>       |
| Due from immediate parent company [note 32(c)] | 40,366             | -                 | 40,366              |
| Due from subsidiary company [note 32(c)]       | <u>13</u>          | <u>3,719</u>      | <u>3,732</u>        |

|  | <u>Group</u>       |                   |                     |
|--|--------------------|-------------------|---------------------|
|  | <u>2024</u>        |                   |                     |
|  | <u>Included in</u> | <u>Other</u>      | <u>Total</u>        |
|  | <u>interest</u>    | <u>accounts</u>   | <u>[note 32(c)]</u> |
|  | <u>receivable</u>  | <u>receivable</u> | <u>\$'000</u>       |
|  | <u>\$'000</u>      | <u>\$'000</u>     | <u>\$'000</u>       |
| Due from immediate parent company [note 32(c)] | 61,311             | 5,046             | 66,357              |
| Due from related parties [note 32(c)]          | <u>-</u>           | <u>30,637</u>     | <u>30,637</u>       |

|  | <u>Company</u>     |                   |                     |
|--|--------------------|-------------------|---------------------|
|  | <u>2024</u>        |                   |                     |
|  | <u>Included in</u> | <u>Other</u>      | <u>Total</u>        |
|  | <u>interest</u>    | <u>accounts</u>   | <u>[note 32(c)]</u> |
|  | <u>receivable</u>  | <u>receivable</u> | <u>\$'000</u>       |
|  | <u>\$'000</u>      | <u>\$'000</u>     | <u>\$'000</u>       |
| Due from immediate parent company [note 32(c)] | 61,207             | 5,046             | 66,253              |
| Due from subsidiary company [note 32(c)]       | <u>117</u>         | <u>-</u>          | <u>117</u>          |

VM INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)  
Year ended December 31, 2025

11. Deferred tax asset

|   | <b>Group</b>     |                      |                  |                  |
|---|------------------|----------------------|------------------|------------------|
|   | <b>2025</b>      |                      |                  |                  |
|   | <b>2024</b>      | <b>Recognised in</b> | <b>in income</b> | <b>2025</b>      |
|   | <b>\$'000</b>    | <b>OCI</b>           | <b>(note 27)</b> | <b>\$'000</b>    |
|   |                  | <b>\$'000</b>        | <b>\$'000</b>    |                  |
| Property, plant and equipment & intangibles | 65,466           | -                    | 7,745            | 73,211           |
| Right-of-use assets                         | ( 18,147)        | -                    | ( 3,768)         | ( 21,915)        |
| Investment securities                       | 1,111,763        | (51,235)             | 65,125           | 1,125,653        |
| Accounts receivable                         | 38,218           | -                    | 31,866           | 70,084           |
| Interest receivable                         | ( 54,760)        | -                    | ( 41,479)        | ( 96,239)        |
| Interest payable                            | 44,412           | -                    | 18,268           | 62,680           |
| Accounts payable                            | 3,514            | -                    | ( 1,581)         | 1,933            |
| Accrued vacation leave                      | 1,716            | -                    | 182              | 1,898            |
| Employee benefit obligation                 | ( 6,268)         | ( 1,267)             | 333              | ( 7,202)         |
| Finance leases                              | 13,648           | -                    | 4,797            | 18,445           |
| Unused tax losses                           | 134,668          | -                    | 80,256           | 214,924          |
| Lease liabilities                           | 21,673           | -                    | ( 865)           | 20,808           |
| Unrealised foreign exchange                 | ( 1,120)         | -                    | ( 15,482)        | ( 16,602)        |
|   | <u>1,354,783</u> | <u>(52,502)</u>      | <u>145,397</u>   | <u>1,447,678</u> |

|   | <b>Group</b>     |                      |                  |                  |
|---|------------------|----------------------|------------------|------------------|
|   | <b>2024</b>      |                      |                  |                  |
|   | <b>2023</b>      | <b>Recognised in</b> | <b>in income</b> | <b>2024</b>      |
|   | <b>\$'000</b>    | <b>OCI</b>           | <b>(note 27)</b> | <b>\$'000</b>    |
|   |                  | <b>\$'000</b>        | <b>\$'000</b>    |                  |
| Property, plant and equipment & intangibles | 50,091           | -                    | 15,375           | 65,466           |
| Right-of-use assets                         | ( 21,914)        | -                    | 3,767            | ( 18,147)        |
| Investment securities                       | 1,081,863        | (10,398)             | 40,298           | 1,111,763        |
| Accounts receivable                         | 77,099           | -                    | ( 38,881)        | 38,218           |
| Interest receivable                         | ( 103,369)       | -                    | 48,609           | ( 54,760)        |
| Interest payable                            | 54,405           | -                    | ( 9,993)         | 44,412           |
| Accounts payable                            | 4,896            | -                    | ( 1,382)         | 3,514            |
| Accrued vacation leave                      | 7,189            | -                    | ( 5,473)         | 1,716            |
| Employee benefit obligation                 | 99               | 3,300                | ( 9,667)         | ( 6,268)         |
| Finance leases                              | 11,070           | -                    | 2,578            | 13,648           |
| Unused tax losses                           | 35,404           | -                    | 99,264           | 134,668          |
| Lease liabilities                           | 25,865           | -                    | ( 4,192)         | 21,673           |
| Unrealised foreign exchange                 | ( 2,384)         | -                    | 1,264            | ( 1,120)         |
|   | <u>1,220,314</u> | <u>( 7,098)</u>      | <u>141,567</u>   | <u>1,354,783</u> |

VM INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)  
Year ended December 31, 2025

11. Deferred tax asset (continued)

|                       | <b>Company</b>     |                          |                    |                          |                    |
|-----------------------|--------------------|--------------------------|--------------------|--------------------------|--------------------|
|                       | <b><u>2023</u></b> | <b><u>Recognised</u></b> | <b><u>2024</u></b> | <b><u>Recognised</u></b> | <b><u>2025</u></b> |
|                       | <b>(note 27)</b>   | <b>in income</b>         | <b>(note 27)</b>   | <b>in income</b>         | <b>(note 27)</b>   |
|                       | <b>\$'000</b>      | <b>\$'000</b>            | <b>\$'000</b>      | <b>\$'000</b>            | <b>\$'000</b>      |
| Intangible assets     | 1,637              | ( 1,142)                 | 495                | ( 449)                   | 46                 |
| Interest receivable   | (20,874)           | ( 8,732)                 | (29,606)           | (21,063)                 | ( 50,669)          |
| Investment securities | (46,497)           | ( 25,029)                | (71,526)           | (30,693)                 | (102,219)          |
| Loans receivable      | 76,087             | 67,061                   | 143,148            | ( 1,394)                 | 141,754            |
| Finance leases        | 11,070             | 2,834                    | 13,904             | 4,541                    | 18,445             |
| Accounts payable      | 4,896              | ( 1,382)                 | 3,514              | ( 1,581)                 | 1,933              |
| Interest payable      | -                  | -                        | -                  | -                        | -                  |
| Unused tax losses     | <u>35,404</u>      | <u>93,796</u>            | <u>129,200</u>     | <u>85,726</u>            | <u>214,926</u>     |
|                       | <u>61,723</u>      | <u>127,406</u>           | <u>189,129</u>     | <u>35,087</u>            | <u>224,216</u>     |

The company and its subsidiary recognise deferred tax assets based on management's assumption that there will be sufficient future taxable profits against which the assets can be utilised. The group's strategy is embedded in optimising its trading portfolio and operational efficiencies to pursue and capitalise on growth and profit making opportunities.

12. Property, plant and equipment

|                     | <b>Group</b>            |                         |                         |                            |                     |
|---------------------|-------------------------|-------------------------|-------------------------|----------------------------|---------------------|
|                     | <b><u>Leasehold</u></b> | <b><u>Computer</u></b>  | <b><u>Furniture</u></b> | <b><u>Leasehold</u></b>    | <b><u>Total</u></b> |
|                     | <b><u>property</u></b>  | <b><u>equipment</u></b> | <b><u>and</u></b>       | <b><u>improvements</u></b> | <b><u>Total</u></b> |
|                     | <b>[note 18(a)(i)]</b>  |                         | <b>fixtures</b>         |                            |                     |
|                     | <b>\$'000</b>           | <b>\$'000</b>           | <b>\$'000</b>           | <b>\$'000</b>              | <b>\$'000</b>       |
| Cost:               |                         |                         |                         |                            |                     |
| December 31, 2023   | 99,275                  | 37,586                  | 112,800                 | 31,116                     | 280,777             |
| Additions           | <u>-</u>                | <u>3,083</u>            | <u>254</u>              | <u>5,401</u>               | <u>8,738</u>        |
| December 31, 2024   | 99,275                  | 40,669                  | 113,054                 | 36,517                     | 289,515             |
| Additions           | <u>-</u>                | <u>2,595</u>            | <u>11,176</u>           | <u>13,795</u>              | <u>27,566</u>       |
| December 31, 2025   | <u>99,275</u>           | <u>43,264</u>           | <u>124,230</u>          | <u>50,312</u>              | <u>317,081</u>      |
| Depreciation:       |                         |                         |                         |                            |                     |
| December 31, 2023   | 56,137                  | 30,554                  | 54,463                  | 30,029                     | 171,183             |
| Charge for the year | <u>11,302</u>           | <u>4,062</u>            | <u>9,539</u>            | <u>1,549</u>               | <u>26,452</u>       |
| December 31, 2024   | 67,439                  | 34,616                  | 64,002                  | 31,578                     | 197,635             |
| Charge for the year | <u>11,302</u>           | <u>3,567</u>            | <u>9,200</u>            | <u>1,901</u>               | <u>25,970</u>       |
| December 31, 2025   | <u>78,741</u>           | <u>38,183</u>           | <u>73,202</u>           | <u>33,479</u>              | <u>223,605</u>      |
| Net book values:    |                         |                         |                         |                            |                     |
| December 31, 2025   | <u>20,534</u>           | <u>5,081</u>            | <u>51,028</u>           | <u>16,833</u>              | <u>93,476</u>       |
| December 31, 2024   | <u>31,836</u>           | <u>6,053</u>            | <u>49,052</u>           | <u>4,939</u>               | <u>91,880</u>       |

VM INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)  
Year ended December 31, 2025

13. Intangible assets

|                            | <u>Group</u>                           |                                       |                        |
|----------------------------|--|---------------------------------------|------------------------|
|                            | <u>Computer<br/>software</u><br>\$'000 | <u>Exclusive<br/>rights</u><br>\$'000 | <u>Total</u><br>\$'000 |
| Cost:                      |  |                                       |                        |
| December 31, 2023          | 589,164                                | -                                     | 589,164                |
| Additions                  | 58,583                                 | 56,017                                | 114,600                |
| Transfers from prepayments | <u>61,675</u>                          | <u>-</u>                              | <u>61,675</u>          |
| December 31, 2024          | 709,422                                | 56,017                                | 765,439                |
| Additions                  | <u>18,184</u>                          | <u>-</u>                              | <u>18,184</u>          |
| December 31, 2025          | <u>727,606</u>                         | <u>56,017</u>                         | <u>783,623</u>         |
| Amortisation:              |  |                                       |                        |
| December 31, 2023          | 352,295                                | -                                     | 352,295                |
| Charge for the year        | <u>75,639</u>                          | <u>2,801</u>                          | <u>78,440</u>          |
| December 31, 2024          | 427,934                                | 2,801                                 | 430,735                |
| Charge for the year        | <u>64,160</u>                          | <u>2,801</u>                          | <u>66,961</u>          |
| December 31, 2025          | <u>492,094</u>                         | <u>5,602</u>                          | <u>497,696</u>         |
| Net book values:           |  |                                       |                        |
| December 31, 2025          | <u>235,512</u>                         | <u>50,415</u>                         | <u>285,927</u>         |
| December 31, 2024          | <u>281,488</u>                         | <u>53,216</u>                         | <u>334,704</u>         |

Exclusive rights arise from the acquisition of VM Wealth Funds Limited [*formerly* Republic Funds (Barbados) Incorporated] on January 19, 2024 and represent the group's exclusive right to benefit from the management of the Funds and to appoint the manager of the Funds. VM Wealth Management Limited, the company's subsidiary, has been appointed as the sole investment manager of the Funds (see note 8).

|                                  | <u>Company</u><br><u>Computer</u><br><u>software</u><br>\$'000 |
|----------------------------------|--|
| Cost:                            |  |
| December 31, 2023, 2024 and 2025 | <u>44,011</u>  |
| Amortisation:                    |  |
| December 31, 2023                | 6,801  |
| Charge for the year              | <u>6,286</u>   |
| December 31, 2024                | 13,087   |
| Charge for the year              | <u>6,344</u>   |
| December 31, 2025                | <u>19,431</u>  |
| Net book values:                 |  |
| December 31, 2025                | <u>24,580</u>  |
| December 31, 2024                | <u>30,924</u>  |

VM INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)  
Year ended December 31, 2025

14. Accounts payable

|                                       | <u>Group</u>     |                  | <u>Company</u> |                |
|---------------------------------------|------------------|------------------|----------------|----------------|
|                                       | <u>2025</u>      | <u>2024</u>      | <u>2025</u>    | <u>2024</u>    |
|                                       | <u>\$'000</u>    | <u>\$'000</u>    | <u>\$'000</u>  | <u>\$'000</u>  |
| Customer payable                      | 1,445,386        | 2,341,955        | -              | -              |
| Interest payable                      | 192,239          | 146,784          | 7,734          | 14,057         |
| Withholding tax payable               | 291,175          | 292,208          | 109,421        | 82,580         |
| General Consumption Tax (GCT) payable | 3,908            | 8,248            | -              | -              |
| Other payables and accrued expenses   | 482,764          | 417,201          | 211,019        | 144,610        |
|                                       | <u>970,086</u>   | <u>864,441</u>   | <u>328,174</u> | <u>241,247</u> |
|                                       | <u>2,415,472</u> | <u>3,206,396</u> | <u>328,174</u> | <u>241,247</u> |

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

|   | <u>Group</u>     |                        |                    |
|---|------------------|------------------------|--------------------|
|   | <u>2025</u>      |                        |                    |
|   | Interest payable | Other accounts payable | Total [note 32(c)] |
|   | <u>\$'000</u>    | <u>\$'000</u>          | <u>\$'000</u>      |
| Due to fellow subsidiaries [note 32(c)] | <u>29,082</u>    | <u>27,546</u>          | <u>56,628</u>      |

|   | <u>Company</u>               |                        |                    |
|---|------------------------------|------------------------|--------------------|
|   | <u>2025</u>                  |                        |                    |
|   | Included in interest payable | Other accounts payable | Total [note 32(c)] |
|   | <u>\$'000</u>                | <u>\$'000</u>          | <u>\$'000</u>      |
| Due to subsidiary company [note 32(c)]  | 3,293                        | 182,386                | 185,679            |
| Due to fellow subsidiaries [note 32(c)] | <u>-</u>                     | <u>1,304</u>           | <u>1,304</u>       |

VM INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)  
Year ended December 31, 2025

14. Accounts payable (continued)

- (a) Reconciliation of amounts due to related parties included in accounts payable (continued):

|   | <b>Group</b>                       |                     |                              | <b>Total</b><br>[note 32(c)] |
|---|------------------------------------|---------------------|------------------------------|------------------------------|
|   | <b>2024</b>                        |                     |                              |                              |
|   | Included in<br>customer<br>payable | Interest<br>payable | Other<br>accounts<br>payable |                              |
|   | <b>\$'000</b>                      | <b>\$'000</b>       | <b>\$'000</b>                | <b>\$'000</b>                |
| Due to directors [note 32(c)]           | 29,332                             | -                   | 42                           | 29,374                       |
| Due to related parties [note 32(c)]     | 4,323                              | -                   | 1,589                        | 5,912                        |
| Due to fellow subsidiaries [note 32(c)] | <u>-</u>                           | <u>11,053</u>       | <u>83,521</u>                | <u>94,574</u>                |

|  | <b>Company</b>                     |                              |               |
|--|------------------------------------|------------------------------|---------------|
|  | <b>2024</b>                        |                              |               |
|  | Included in<br>interest<br>payable | Other<br>accounts<br>payable | Total         |
|  | <b>\$'000</b>                      | <b>\$'000</b>                | <b>\$'000</b> |
| Due to subsidiary company [note 32(c)] |                                    | 289                          | 289           |
| Due to related parties [note 32(c)]    | <u>-</u>                           | <u>1,465</u>                 | <u>1,465</u>  |

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').

|   | <b>Group</b>                 |                              |
|---|------------------------------|------------------------------|
|   | <b>2025</b><br><b>\$'000</b> | <b>2024</b><br><b>\$'000</b> |
| Denominated in Jamaica dollars  | 9,438,695                    | 6,039,967                    |
| Denominated in United States dollars<br>[US\$71,303,815 (2024: US\$55,410,069)] | <u>11,331,987</u>            | <u>7,893,312</u>             |
|   | <u>20,770,682</u>            | <u>13,933,279</u>            |

VM INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)  
Year ended December 31, 2025

15. Repurchase agreements (continued)

|                                | <u>Company</u>        |                       |
|--------------------------------|-----------------------|-----------------------|
|                                | <u>2025</u><br>\$'000 | <u>2024</u><br>\$'000 |
| Denominated in Jamaica dollars | <u>1,719,087</u>      | <u>378,000</u>        |

At December 31, 2025, securities obtained under resale agreements and certain investments (see notes 5 and 6) and interest accrued thereon are pledged by the group as collateral for repurchase agreements.

16. Employee benefit obligation

## (a) Pensions

The group participates in The Victoria Mutual (Defined Benefit) Pension Plan (“Plan”), which is administered by trustees.

The members make compulsory contributions at 5% of pensionable salaries and may elect to pay voluntary contributions up to 14.5% to the extent that the total contributions paid by or on behalf of a member in any year does not, in aggregate, exceed 20% of remuneration in that year.

The employer makes ordinary annual contributions as advised by the Actuary to be adequate, in addition to the members’ compulsory contributions, to ensure the solvency of the Plan or to provide for any improvement, so long as such are in keeping with the relevant Act or other applicable legislation. The Plan provides for retirement and death benefits.

The defined benefit plan was closed to new entrants effective December 31, 2016. The new defined contribution plan was approved by the Financial Services Commission and Tax Administration Jamaica with an effective date of January 1, 2017 and will benefit employees who were hired on or after January 1, 2017. Both the defined benefit plan and the defined contribution plan are funded by contributions from the subsidiary company and employees in accordance with the respective Trust Deed and Plan Rules.

The most recent funding actuarial valuation of the defined benefit plan, operated by the ultimate parent company [note 3(g)(ii)], performed as of December 31, 2025, indicated that it is adequately funded. The group’s contribution to the plans for the year amounted to \$18,688,000 (2024: \$16,118,000) as set out in note 25.

VM INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)  
Year ended December 31, 2025

16. Employee benefit obligation (continued)

## (b) Medical benefit obligation

The group's obligation in respect of post-employment medical benefits has been recognised primarily in respect of medical benefits for pensioners:

- (i) Movements in the present value of the medical obligation recognised in the statement of financial position.

|   | <u>2025</u><br><u>\$'000</u> | <u>2024</u><br><u>\$'000</u> |
|---|------------------------------|------------------------------|
| Balance at beginning of year                                  | 35,000                       | 22,900                       |
| Interest cost   | 3,300                        | 2,500                        |
| Current service cost  | 900                          | 600                          |
| Benefits paid   | ( 1,000)                     | ( 900)                       |
| Experience adjustments and actuarial losses recognised in OCI | ( 3,800)                     | 9,900                        |
| Net expense in profit or loss and OCI                         | ( 600)                       | 12,100                       |
| Balance at end of year  | <u>34,400</u>                | <u>35,000</u>                |

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

|                        | <u>2025</u><br><u>\$'000</u> | <u>2024</u><br><u>\$'000</u> |
|------------------------|------------------------------|------------------------------|
| Current service cost   | 900                          | 600                          |
| Interest on obligation | <u>3,300</u>                 | <u>2,500</u>                 |
|                        | <u>4,200</u>                 | <u>3,100</u>                 |

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

|                         | <u>2025</u><br><u>%</u> | <u>2024</u><br><u>%</u> |
|-------------------------|-------------------------|-------------------------|
| Inflation rate          | 5.00                    | 5.50                    |
| Discount rate           | 10.00                   | 9.50                    |
| Medical premiums growth | <u>7.50</u>             | <u>8.00</u>             |

- (iv) As at December 31, 2025, the weighted average duration of the employee benefit obligation was 14 years (2024: 16 years).

VM INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)  
Year ended December 31, 2025

16. Employee benefit obligation (continued)

## (b) Medical benefit obligation (continued)

## (v) Sensitivity analysis

A one (2024: 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:

|                         | <u>2025</u>                         |                                     | <u>2024</u>                         |                                     |
|-------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
|                         | <u>1.0%<br/>increase<br/>\$'000</u> | <u>1.0%<br/>decrease<br/>\$'000</u> | <u>1.0%<br/>increase<br/>\$'000</u> | <u>1.0%<br/>decrease<br/>\$'000</u> |
| Discount rate           | (6,000)                             | 5,000                               | 3,200                               | (2,700)                             |
| Medical premiums growth | <u>(5,000)</u>                      | <u>6,000</u>                        | <u>(2,600)</u>                      | <u>3,100</u>                        |

17. Borrowings

|  | <u>Group</u>           |                        | <u>Company</u>         |                        |
|--|------------------------|------------------------|------------------------|------------------------|
|  | <u>2025<br/>\$'000</u> | <u>2024<br/>\$'000</u> | <u>2025<br/>\$'000</u> | <u>2024<br/>\$'000</u> |
| Fixed and variable unsecured bonds (i) | 6,683,586              | 7,707,623              | 6,677,932              | 7,694,401              |
| Other loans (ii)                       | <u>322,578</u>         | <u>761,199</u>         | <u>322,578</u>         | <u>761,199</u>         |
|  | <u>7,006,164</u>       | <u>8,468,822</u>       | <u>7,000,510</u>       | <u>8,455,600</u>       |

- (i) These are comprised of fixed and variable rate unsecured bonds issued by the company.
- \$701,400,000 Tranche A – \$694,902,000 fixed rate 9.50% with a maturity date of March 31, 2027.
  - \$98,600,000 Tranche B – \$98,230,000 variable rate 10.00% plus 90 days WATBY with a maturity date of March 31, 2028.
  - \$229,640,000 Tranche A – \$229,161,000 fixed rate 10.00% with a maturity date of April 1, 2027.
  - \$191,726,000 Tranche A(ii) – \$191,032,000 fixed rate 10.00 with a maturity date of June 30, 2027.
  - \$48,168,000 Tranche B – \$48,295,000 fixed rate 10.75% with a maturity date of June 30, 2027.
  - \$2,031,230,000 Tranche D - \$2,026,070,000 fixed rate 9.75% with a maturity date of June 27, 2026.
  - \$1,924,253,000 Tranche E - \$1,916,647,000 fixed rate 10.00% with a maturity date of December 27, 2026.
  - \$1,477,983,000 Tranche F - \$1,467,720,000 variable rate 10.50% (plus 90 days WATBY) with a maturity date of December 27, 2027.

VM INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)  
Year ended December 31, 2025

17. Borrowings (continued)

## (i) (Continued)

The Group issued an \$800,000,000 bond during the year. From the bond issue, the company received funds of \$332,795,000, net of transaction costs in March 2025. The remaining units of the bond were subscribed through reinvestment of funds totaling \$467,205,000 which were due to be repaid for a bond which matured in March 2025.

Funds of \$1,447,775,000, net of transaction costs, were received during the year from Tranche D, Tranche E and Tranche F bond issues.

The Group repaid bonds totaling \$5,774,668,000 of which \$2,782,016,000 (2024: \$1,116,843,000) was settled in cash and \$2,992,652,000 (2024: \$513,072,000) was settled through reinvestments in other bonds and securities issued by the company amounting to. The bond repayments were made in respect of:

- \$649,460,826 Tranche A which was issued on December 30, 2022 and matured on January 29, 2025
- \$4,322,099,684 Tranche B which was issued on December 30, 2022 and matured on January 29, 2025
- \$16,000,000 Tranche B which was issued on December 30, 2022 and which had a maturity date of January 29, 2027
- \$454,227,300 Tranche A which was issued on November 1, 2023 and matured on March 29, 2025
- \$81,380,737 Tranche B which was issued on November 1, 2023 and matured on March 29, 2025
- \$251,500,000 Tranche B which was issued on April 1 2024 and matured on May 15, 2025

## (ii) The Group holds other loans from the Development Bank of Jamaica which are broken down as follows:

- \$750,000,000 received in November 2022 with a maturity period of 5 years attracting an interest rate of 7.5% per annum.
- \$50,000,000 received during 2023 with a maturity period of 4 years with an interest rate of 10.99%

The Group repaid loans during the year totaling \$438,621,000. The repayments were settled in cash and made in respect of:

- \$550,000,000 received in October 2021 which matured in February 2025 was repaid in full. The repayment amounted to \$281,121,000.
- \$750,000,000 received in November 2022 with a maturity period of 5 years attracting an interest rate of 7.5% per annum. A partial principal repayment of \$150,000,000 was made during the year.
- \$50,000,000 received during 2023 with a maturity period of 4 years with an interest rate of 10.99%. A partial principal repayment of \$7,500,000 was made during the year.

VM INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)  
Year ended December 31, 2025

17. Borrowings (continued)

|   | <b>Group</b>                     |                                       |                                  |                                       |
|---|----------------------------------|---------------------------------------|----------------------------------|---------------------------------------|
|   | <b>2025</b>                      |                                       | <b>2024</b>                      |                                       |
|   | <b>Face<br/>value<br/>\$'000</b> | <b>Carrying<br/>amount<br/>\$'000</b> | <b>Face<br/>value<br/>\$'000</b> | <b>Carrying<br/>amount<br/>\$'000</b> |
| Fixed and variable unsecured<br>bonds (i) | 6,703,500                        | 6,683,586                             | 7,706,332                        | 7,707,623                             |
| Other loans (ii)                          | <u>322,500</u>                   | <u>322,578</u>                        | <u>754,321</u>                   | <u>761,199</u>                        |
|   | <u>7,026,000</u>                 | <u>7,006,164</u>                      | <u>8,460,653</u>                 | <u>8,468,822</u>                      |

|   | <b>Company</b>                   |                                       |                                  |                                       |
|---|----------------------------------|---------------------------------------|----------------------------------|---------------------------------------|
|   | <b>2025</b>                      |                                       | <b>2024</b>                      |                                       |
|   | <b>Face<br/>value<br/>\$'000</b> | <b>Carrying<br/>amount<br/>\$'000</b> | <b>Face<br/>value<br/>\$'000</b> | <b>Carrying<br/>amount<br/>\$'000</b> |
| Fixed and variable unsecured<br>bonds (i) | 6,703,500                        | 6,677,932                             | 7,706,332                        | 7,694,401                             |
| Other loans (ii)                          | <u>322,500</u>                   | <u>322,578</u>                        | <u>754,321</u>                   | <u>761,199</u>                        |
|   | <u>7,026,000</u>                 | <u>7,000,510</u>                      | <u>8,460,653</u>                 | <u>8,455,600</u>                      |

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

|                                    | <b>Group<br/>2025</b>        |                                   |  |
|------------------------------------|------------------------------|-----------------------------------|--|
|                                    | <b>Borrowings<br/>\$'000</b> | <b>Other<br/>loans<br/>\$'000</b> | <b>Total<br/>borrowings<br/>&amp; other<br/>loans<br/>\$'000</b> |
| Balance as at January 1, 2025      | 7,707,623                    | 761,199                           | 8,468,822  |
| Proceeds from loans and borrowings | 1,780,570                    | -                                 | 1,780,570  |
| Repayment of loans and borrowings  | (2,776,362)                  | (438,621)                         | (3,214,983)  |
|                                    | 6,711,831                    | 322,578                           | 7,034,409  |
| Other changes:                     |                              |                                   |  |
| Transaction cost incurred/reversed | ( 56,846)                    | -                                 | ( 56,846)  |
| Transaction cost amortised         | <u>28,601</u>                | <u>-</u>                          | <u>28,601</u>  |
| Balance as at December 31, 2025    | <u>6,683,586</u>             | <u>322,578</u>                    | <u>7,006,164</u>   |

VM INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)  
Year ended December 31, 2025

17. Borrowings (continued)

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

|                                    | <b>Group<br/>2024</b>        |                                   |  |
|------------------------------------|------------------------------|-----------------------------------|--|
|                                    | <b>Borrowings<br/>\$'000</b> | <b>Other<br/>loans<br/>\$'000</b> | <b>Total<br/>borrowings<br/>&amp; other<br/>loans<br/>\$'000</b> |
| Balance as at January 1, 2024      | 7,154,375                    | 1,502,654                         | 8,657,029  |
| Proceeds from loans and borrowings | 1,670,091                    | -                                 | 1,670,091  |
| Repayment of loans and borrowings  | (1,116,843)                  | ( 748,312)                        | (1,865,155)  |
|                                    | 7,707,623                    | 754,342                           | 8,461,965  |
| Other changes:                     |                              |                                   |  |
| Transaction cost amortised         | -                            | 6,857                             | 6,857  |
| Balance as at December 31, 2024    | <u>7,707,623</u>             | <u>761,199</u>                    | <u>8,468,822</u>   |
|                                    | <b>Company<br/>2025</b>      |                                   |  |
|                                    | <b>Borrowings<br/>\$'000</b> | <b>Other<br/>loans<br/>\$'000</b> | <b>Total<br/>borrowings<br/>&amp; other<br/>loans<br/>\$'000</b> |
| Balance as at January 1, 2025      | 7,694,401                    | 761,199                           | 8,455,600  |
| Proceeds from loans and borrowings | 1,780,570                    | -                                 | 1,780,570  |
| Repayment of loans and borrowings  | (2,782,016)                  | (438,621)                         | (3,220,637)  |
|                                    | 6,692,955                    | 322,578                           | 7,015,533  |
| Other changes:                     |                              |                                   |  |
| Transaction cost incurred          | ( 43,624)                    | -                                 | ( 43,624)  |
| Transaction cost amortised         | 28,601                       | -                                 | 28,601   |
| Balance as at December 31, 2025    | <u>6,677,932</u>             | <u>322,578</u>                    | <u>7,000,510</u>   |
|                                    | <b>Company<br/>2024</b>      |                                   |  |
|                                    | <b>Borrowings<br/>\$'000</b> | <b>Other<br/>loans<br/>\$'000</b> | <b>Total<br/>borrowings<br/>&amp; other<br/>loans<br/>\$'000</b> |
| Balance as at January 1, 2024      | 7,066,438                    | 1,502,654                         | 8,569,092  |
| Proceeds from loans and borrowings | 1,670,091                    | -                                 | 1,670,091  |
| Repayment of loans and borrowings  | (1,098,620)                  | ( 748,312)                        | (1,846,932)  |
|                                    | 7,637,909                    | 754,342                           | 8,392,251  |
| Other changes:                     |                              |                                   |  |
| Transaction cost                   | ( 12,394)                    | -                                 | ( 12,394)  |
| Transaction cost amortised         | 68,886                       | 6,857                             | 75,743   |
| Balance as at December 31, 2024    | <u>7,694,401</u>             | <u>761,199</u>                    | <u>8,455,600</u>   |

VM INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)  
Year ended December 31, 2025

18. Leases

The group leases office spaces. The leases typically run for a period of 5 years, with an option to renew the lease after that date. Lease payments are renegotiated to reflect market rentals. Some leases provide for additional rent payments that are based on changes in local market conditions.

The office spaces leases were entered into combined leases of land and buildings.

Information about leases for which the group is a lessee is presented below.

## (a) Leases as lessee

*(i) Right-of-use assets*

Right-of-use assets related to leased properties that do not meet the definition of investment property and are presented as property, plant and equipment (see note 12).

|                                  | <b>Group</b>                |                      |
|----------------------------------|-----------------------------|----------------------|
|                                  | <b>Leasehold properties</b> |                      |
|                                  | <b><u>2025</u></b>          | <b><u>2024</u></b>   |
|                                  | <b><u>\$,000</u></b>        | <b><u>\$,000</u></b> |
| Balance at January 1             | <u>99,275</u>               | <u>99,275</u>        |
| Depreciation at January 1        | 67,439                      | 56,137               |
| Depreciation charge for the year | <u>11,302</u>               | <u>11,302</u>        |
|                                  | <u>78,741</u>               | <u>67,439</u>        |
| Balance at December 31           | <u>20,534</u>               | <u>31,836</u>        |

*(ii) Lease liabilities:*

|   | <b>Group</b>         |                      |
|---|----------------------|----------------------|
|   | <b><u>2025</u></b>   | <b><u>2024</u></b>   |
|   | <b><u>\$'000</u></b> | <b><u>\$'000</u></b> |
| Undiscounted cashflows of lease liabilities |                      |                      |
| Less than one year                          | 17,242               | 17,506               |
| One to five years                           | 14,924               | 32,165               |
| More than five years                        | <u>-</u>             | <u>-</u>             |
|   | 32,166               | 49,671               |
| Less future interest charges                | <u>( 3,673)</u>      | <u>( 7,286)</u>      |
| Carrying amount of lease liabilities        | <u>28,493</u>        | <u>42,385</u>        |
| Current                                     | 15,071               | 13,893               |
| Non-current                                 | <u>13,421</u>        | <u>28,492</u>        |
|   | <u>28,492</u>        | <u>42,385</u>        |

VM INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)  
Year ended December 31, 2025

18. Leases (continued)*(iii) Reconciliation of movement during the period in the carrying amount of lease liabilities*

|  | <b>Group</b>       |                    |
|--|--------------------|--------------------|
|  | <b><u>2025</u></b> | <b><u>2024</u></b> |
|  | <b>\$'000</b>      | <b>\$'000</b>      |
| Balance at January 1                     | 42,385             | 54,961             |
| Lease principal payments during the year | <u>(13,893)</u>    | <u>(12,576)</u>    |
| Balance at December 31                   | <u>28,492</u>      | <u>42,385</u>      |

## (a) Leases as lessee (continued)

*(i) Amounts recognised in profit or loss*

|   | <b>Group</b>       |                    |
|---|--------------------|--------------------|
|   | <b><u>2025</u></b> | <b><u>2024</u></b> |
|   | <b>\$'000</b>      | <b>\$'000</b>      |
| Depreciation (note 12)                  | <u>11,302</u>      | <u>11,302</u>      |
| Interest on lease liabilities (note 22) | <u>3,613</u>       | <u>4,930</u>       |

*(ii) Amounts recognised in statement of cash flows*

|                               | <b>Group</b>       |                    |
|-------------------------------|--------------------|--------------------|
|                               | <b><u>2025</u></b> | <b><u>2024</u></b> |
|                               | <b>\$'000</b>      | <b>\$'000</b>      |
| Lease interest payments       | 3,613              | 4,930              |
| Lease principal payments      | <u>13,893</u>      | <u>12,576</u>      |
| Total cash outflow for leases | <u>17,506</u>      | <u>17,506</u>      |

*(iii) Extension options*

Some property leases contain extension options exercisable by the group up to one year before the end of the non-cancellable contract period. Where practicable, the group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the group and not by the lessors. The group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

## (b) Leases as lessor

The group leases out equipment under finance leases in its capacity as a lessor.

The group recognised interest income on lease receivable of \$2,563,000 (2024: \$5,698,000); see note 22. The allowance for impairment on finance leases receivable was \$567,000 (2024: \$567,000).

VM INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)  
Year ended December 31, 2025

18. Leases (continued)

## (b) Leases as lessor (continued)

The maturity analysis of lease receivables showing the undiscounted lease payments to be received after the reporting dates under are as follows:

|   | <u>Group and Company</u> |               |
|---|--------------------------|---------------|
|   | <u>2025</u>              | <u>2024</u>   |
|   | <u>\$'000</u>            | <u>\$'000</u> |
| Gross investment in finance leases, receivable: |                          |               |
| 2024  | -                        | -             |
| 2025  | -                        | 39,426        |
| 2026  | 4,905                    | 17,182        |
| 2027  | <u>1,226</u>             | <u>1,226</u>  |
|   | 6,131                    | 57,834        |
| Unearned finance income                         | ( 675)                   | ( 3,075)      |
| Net investment in finance leases                | <u>5,456</u>             | <u>54,759</u> |

19. Share capital

|   | <u>Company</u> |                |
|---|----------------|----------------|
|   | <u>2025</u>    | <u>2024</u>    |
|   | <u>\$'000</u>  | <u>\$'000</u>  |
| Authorised:   |                |                |
| Unlimited (2024: Unlimited) ordinary shares at no par value |                |                |
| Issued and fully paid:                                      |                |                |
| 1,500,025,000 (2024: 1,500,025,000) ordinary shares         | 713,262        | 713,262        |
| 713,262   |                |                |
| Less: share issuance costs                                  | ( 5,375)       | ( 5,375)       |
|   | <u>707,887</u> | <u>707,887</u> |

The issued share capital does not include premium of \$24,000,000 (2024: \$24,000,000) on the shares, in accordance with Section 39(7) of the Companies Act Jamaica. This has been retained in the share premium account.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at general meetings.

At the annual general meeting held on July 11, 2024, the shareholders voted to increase the company's authorised share capital to an unlimited amount of shares and authorised the directors to issue shares as preference shares, from time to time, and determine the terms of those shares without further reference to the members in general meetings.

VM INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)  
Year ended December 31, 2025

20. Reserves

## (a) Investment revaluation reserve

This represents:

- the cumulative net change in the fair value of equity securities designated at FVOCI.
- the cumulative net change in the fair value of debt securities measured at FVOCI until the assets are derecognised or reclassified, net of deferred tax.

This amount is adjusted for expected credit losses on debt securities measured at FVOCI.

## (b) Other reserve

This represents:

- (i) accumulated actuarial gains or losses arising from the remeasurement of the post-retirement medical benefit obligation, net of deferred taxes and
- (ii) currency translation adjustments arising from translation of investment in foreign operation (associate). See note 7.

21. Non-controlling interest

- (a) Pursuant to the approved Scheme of Arrangement, effective February 1, 2024, the convertible preference shares in the subsidiary company were transferred to the immediate parent company, VM Financial Group Ltd.

The preference shares are redeemable, redemption being at the option of the subsidiary company and dividends are payable at such time as the subsidiary company may determine. The number of units in this category totals 50,000,000 (2024: 50,000,000).

- (b) On October 31, 2024, the subsidiary company issued 1,500,000 non-redeemable, non-cumulative preference shares to the immediate parent company, VM Financial Group Limited. Each preference share was issued at \$1,000 per share. Dividends are payable at such time as the subsidiary company may determine.

Preference shareholders are not entitled to a share of profits.

VM INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)  
Year ended December 31, 2025

22. Net interest income

|   | <b>Group</b>  |               | <b>Company</b> |               |
|---|---------------|---------------|----------------|---------------|
|   | <b>2025</b>   | <b>2024</b>   | <b>2025</b>    | <b>2024</b>   |
|   | <b>\$'000</b> | <b>\$'000</b> | <b>\$'000</b>  | <b>\$'000</b> |
| Interest income calculated using the effective interest method: |               |               |                |               |
| Investment securities at FVOCI                                  | 1,002,184     | 895,548       | -              | -             |
| Investment securities at amortised cost                         | 245,517       | 239,158       | 245,517        | 239,158       |
| Resale agreements at amortised cost                             | 62,955        | 49,134        | 6,088          | 9,467         |
| Preference shares   | 62,192        | 74,363        | 62,192         | 74,363        |
| Loan receivables at amortised cost                              | 361,780       | 467,045       | 361,384        | 467,045       |
|   | 1,734,628     | 1,725,248     | 675,181        | 790,033       |
| Interest income on finance leases [note 18 (b)]                 | 2,563         | 5,698         | 2,563          | 5,698         |
| Other   | 450           | 16,476        | 450            | 10            |
|   | 1,737,641     | 1,747,422     | 678,194        | 795,741       |
| Interest expense:   |               |               |                |               |
| Repurchase agreements   | ( 821,275)    | ( 758,091)    | ( 67,614)      | ( 35,389)     |
| Loans and borrowings  | ( 725,521)    | ( 833,002)    | (725,521)      | (833,002)     |
|   | (1,546,796)   | (1,591,093)   | (793,135)      | (868,391)     |
| Lease liabilities [note 18(iv)]                                 | ( 3,613)      | ( 4,930)      | -              | -             |
|   | (1,550,409)   | (1,596,023)   | (793,135)      | (868,391)     |
| Net interest income/(expense)                                   | 187,232       | 151,399       | (114,941)      | ( 72,650)     |

23. Gains from investment activities

|  | <b>Group</b>  |               | <b>Company</b> |               |
|--|---------------|---------------|----------------|---------------|
|  | <b>2025</b>   | <b>2024</b>   | <b>2025</b>    | <b>2024</b>   |
|  | <b>\$'000</b> | <b>\$'000</b> | <b>\$'000</b>  | <b>\$'000</b> |
| Gain on sale of fixed income securities classified as FVOCI                  | 771,944       | 675,041       | 72,602         | 2,855         |
| Gain on sale of disposal of interest in associate – Carilend [note 32(d)(i)] | -             | 422,265       | -              | 422,265       |
| Convertible preference shares at FVTPL                                       | 266,398       | 360,903       | 266,398        | 360,903       |
| Equities at FVTPL  | 52,520        | ( 102,259)    | 50,565         | (102,070)     |
| Fair value adjustments   | ( 820)        | 4,153         | ( 820)         | 4,153         |
| Unit trust funds at FVTPL  | 11,879        | 67,500        | ( 4,445)       | 24,785        |
| Net foreign exchange translation gains/(losses) (i)                          | 8,289         | 9,795         | 24,574         | 12,929        |
|  | 1,110,210     | 1,437,398     | 408,874        | 725,820       |

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

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Notes to the Financial Statements (Continued)  
Year ended December 31, 2025

24. Fees and commissions income

|                                    | <b>Group</b>                               |  | <b>Company</b>                             |  |
|------------------------------------|--|--|--|--|
|                                    | <b><u>2025</u></b><br><b><u>\$'000</u></b> | <b><u>2024</u></b><br><b><u>\$'000</u></b> | <b><u>2025</u></b><br><b><u>\$'000</u></b> | <b><u>2024</u></b><br><b><u>\$'000</u></b> |
| Fee and commission income:         |  |  |  |  |
| Brokerage activities               | 179,157                                    | 188,486                                    | -  | -  |
| Corporate advisory services        | 280,486                                    | 302,641                                    | -  | -  |
| Portfolio management fees          |  |  |  |  |
| - unit trust funds                 | 447,385                                    | 400,845                                    | -  | -  |
| Portfolio management services      |  |  |  |  |
| -other                             | 59,123                                     | 67,173                                     | -  | -  |
| Portfolio management services      |  |  |  |  |
| -VM Wealth Funds Ltd. [note 32(d)] | -  | 19,379                                     | -  | -  |
| Commitment fees on loans           | 35,224                                     | 33,638                                     | 35,224                                     | 33,638                                     |
| Other                              | <u>3,698</u>                               | <u>2,627</u>                               | <u>3,698</u>                               | <u>2,627</u>                               |
|                                    | <u>1,005,073</u>                           | <u>1,014,789</u>                           | <u>38,922</u>                              | <u>36,265</u>                              |

25. Staff costs

|  | <b>Group</b>                               |  |
|--|--|--|
|  | <b><u>2025</u></b><br><b><u>\$'000</u></b> | <b><u>2024</u></b><br><b><u>\$'000</u></b> |
| Salaries and wages [note 32(d)]                  | 933,342                                    | 788,821                                    |
| Statutory payroll contributions                  | 88,013                                     | 71,575                                     |
| Pension plan contributions [note 16(a)]          | 18,688                                     | 16,118                                     |
| Post-employment medical benefit [note 16(b)(ii)] | 4,200                                      | 3,100                                      |
| Allowances and other staff related benefits      | <u>235,239</u>                             | <u>230,205</u>                             |
|  | <u>1,279,482</u>                           | <u>1,109,819</u>                           |

26. Other operating costs

|                                  | <b>Group</b>                               |  | <b>Company</b>                             |  |
|----------------------------------|--|--|--|--|
|                                  | <b><u>2025</u></b><br><b><u>\$'000</u></b> | <b><u>2024</u></b><br><b><u>\$'000</u></b> | <b><u>2025</u></b><br><b><u>\$'000</u></b> | <b><u>2024</u></b><br><b><u>\$'000</u></b> |
| Advertising and public relations | 34,924                                     | 37,250                                     | -  | 14,080                                     |
| Asset tax                        | 53,978                                     | 48,479                                     | -  | -  |
| Audit fees – current             | 66,470                                     | 72,598                                     | 33,720                                     | 47,763                                     |
| – prior                          | 55,687                                     | 80,385                                     | 12,914                                     | 48,000                                     |
| Bad debt written off             | 5,738                                      | 175  | 5,738                                      | -  |
| Bank charges                     | 20,009                                     | 21,489                                     | 180  | 346  |
| Communication and courier        | 318  | 462  | -  | -  |
| Depreciation and                 |  |  |  |  |
| amortisation (notes 12 and 13)   | <u>92,931</u>                              | <u>104,892</u>                             | <u>6,344</u>                               | <u>6,286</u>                               |
| Carry forward to page 66         | <u>363,583</u>                             | <u>365,730</u>                             | <u>58,896</u>                              | <u>116,475</u>                             |

VM INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)  
Year ended December 31, 2025

26. Other operating costs (continued)

|  | <u>Group</u>     |                  | <u>Company</u> |                |
|--|------------------|------------------|----------------|----------------|
|  | <u>2025</u>      | <u>2024</u>      | <u>2025</u>    | <u>2024</u>    |
|  | <u>\$'000</u>    | <u>\$'000</u>    | <u>\$'000</u>  | <u>\$'000</u>  |
| Brought forward from page 65               | 363,583          | 365,730          | 58,896         | 116,475        |
| Directors' fees [note 32(d)]               | 29,594           | 25,251           | 16,949         | 14,235         |
| Financial Services Commission fees         | 37,202           | 12,956           | -              | -              |
| Irrecoverable GCT                          | 18,586           | 3,418            | -              | -              |
| JCSD charges                               | 34,686           | 41,123           | 22,725         | 25,104         |
| JSE charges                                | 6,303            | 2,065            | -              | -              |
| Legal and other professional fees          | 156,319          | 214,891          | 56,539         | 111,288        |
| Short-term rent, maintenance and utilities | 83,384           | 37,721           | 2,290          | 190            |
| Settlement with customers                  | 18,658           | 67,555           | -              | -              |
| Software maintenance and IT expenses       | 149,419          | 121,013          | -              | -              |
| Management fees [note 32(d)]               | 143,589          | 165,877          | 36,036         | 75,685         |
| Other administrative related expenses      | <u>72,314</u>    | <u>50,823</u>    | <u>24,248</u>  | <u>9,562</u>   |
|  | <u>1,113,637</u> | <u>1,108,423</u> | <u>217,683</u> | <u>352,539</u> |

27. Income tax

- (a) The charge for income tax is computed at statutory tax rate of 33 $\frac{1}{3}$ % (2024: 33 $\frac{1}{3}$ %) of the profit for the year for the subsidiary company and 25% (2024: 25%) for the company, as adjusted for tax purposes, and is made up as follows:

|   | <u>Group</u>     |                  | <u>Company</u>  |                  |
|---|------------------|------------------|-----------------|------------------|
|   | <u>2025</u>      | <u>2024</u>      | <u>2025</u>     | <u>2024</u>      |
|   | <u>\$'000</u>    | <u>\$'000</u>    | <u>\$'000</u>   | <u>\$'000</u>    |
| (i) Current income tax                            |                  |                  |                 |                  |
| Current year                                      | 16,263           | 117,502          | (12,090)        | -                |
| Prior year adjustment                             | <u>1,793</u>     | <u>( 76,973)</u> | <u>-</u>        | <u>-</u>         |
|   | <u>18,056</u>    | <u>40,529</u>    | <u>(12,090)</u> | <u>-</u>         |
| (ii) Deferred income tax (note 11)                |                  |                  |                 |                  |
| Origination and reversal of temporary differences | <u>(145,397)</u> | <u>(141,567)</u> | <u>(35,085)</u> | <u>(127,406)</u> |
| Total income tax credit                           | <u>(127,341)</u> | <u>(101,038)</u> | <u>(47,175)</u> | <u>(127,406)</u> |

VM INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)  
Year ended December 31, 2025

27. Income tax (continued)

- (b) The effective tax rate for 2025 was a credit of 329.53% (2024: 22.22%) for the group and a credit of 15.46% (2024: 47.05%) for the company of pre-tax profits. The actual tax charge differs from the theoretical tax charge for the year, as follows:

|   | <u>Group</u>                 |                              | <u>Company</u>               |                              |
|---|------------------------------|------------------------------|------------------------------|------------------------------|
|   | <u>2025</u><br><u>\$'000</u> | <u>2024</u><br><u>\$'000</u> | <u>2025</u><br><u>\$'000</u> | <u>2024</u><br><u>\$'000</u> |
| Profit before income tax  | <u>38,634</u>                | <u>454,684</u>               | <u>305,022</u>               | <u>270,788</u>               |
| Tax calculated at a rate of:  |                              |                              |                              |                              |
| 25%   | 76,256                       | 67,697                       | 76,256                       | 67,697                       |
| 33 $\frac{1}{3}$ %  | ( 86,228)                    | 37,327                       | -                            | -                            |
| Adjusted for the effects of:  |                              |                              |                              |                              |
| Income not subject to tax   | ( 89,904)                    | (165,986)                    | (78,578)                     | (154,117)                    |
| Tax effect of items (deductible)<br>/not deductible for<br>tax purposes | ( 29,257)                    | 36,897                       | (44,853)                     | ( 40,986)                    |
| Prior year adjustments  | <u>1,792</u>                 | <u>( 76,973)</u>             | <u>-</u>                     | <u>-</u>                     |
| Actual tax credit   | <u>(127,341)</u>             | <u>(101,038)</u>             | <u>(47,175)</u>              | <u>(127,406)</u>             |

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.

VM INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)  
Year ended December 31, 2025

28. Financial instruments-risk management (continued)

## (a) Introduction and overview (continued)

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.

The key risks to which the group is exposed and the manner in which it measures and manages them are as follows:

## (b) Credit risk

Credit risk is the risk of financial loss to the group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises primarily from credit given to customers from stock broking activities, investing activities, collateralised lending and deposits with other institutions. Balances arising from these activities include debt securities, resale agreements, cash and cash equivalents loan receivable and accounts receivable (excluding prepayments).

## (i) Management of credit risk

Credit risk is the single largest risk for the group's business; management therefore carefully manages its exposure to credit risk. Credit risk management and control is delegated to the group's Finance Committees. The Committees are responsible for oversight of credit risk, including formulating credit policies, establishing the authorisation structure for the approval of credit facilities, reviewing and assessing credit risk, and limiting concentration of exposure to counterparties.

The estimation of credit exposure for risk management purposes is complex and requires the use of models, as the exposure varies with changes in market conditions, expected cash flows and the passage of time. The assessment of credit risk of a portfolio of assets entails further estimations as to the likelihood of defaults occurring, of the associated loss ratios and of default correlations between counterparties. The group measures credit risk using Probability of Default (PD), Exposure at Default (EAD) and Loss Given Default (LGD). This is similar to the approach used for the purposes of measuring Expected Credit Loss (ECL) under IFRS 9.

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

The group holds collateral against loans to customers and others in the form of registered securities over assets. Professional and other means are used to arrive at fair values of such collateral, based on the value of collateral assessed at the time of borrowing. These collateral values are updated across the board annually, with individual focus given to individual collateral values (including but not limited to professional valuations) when a loan is individually assessed as impaired.

VM INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)  
Year ended December 31, 2025

28. Financial instruments-risk management (continued)

## (b) Credit risk (continued)

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

Collateral generally is not held over balances with banks or brokers/dealers, except when securities are held under resale agreements. Collateral is generally not held against investment securities.

- Cash and cash equivalents

These are held with regulated financial institutions and collateral is not required for such accounts.

- Resale agreements

Collateral is held for all resale agreements.

- Investment securities and loans receivable

Credit risk management includes:

- (i) Margin loans – daily monitoring of the collateral package and executing margin calls or asset sales to address any shortfall. Additional scrutinising of tradeable securities utilised as collateral and removing those negatively impacted by the pandemic.
- (ii) Corporate loans - Undertake assessment of loans likely impacted by the current conditions (e.g., Tourism).

In relation to its holding of investment securities, the group manages the level of risk it undertakes by investing substantially in short term Government of Jamaica, Bank of Jamaica, preference shares with related party and foreign Government debt securities; such securities are generally unsecured.

- Accounts receivable (excluding prepayments)

Exposure to credit risk is managed by regular analysis of the ability of the customers and other counter parties to meet repayment obligations.

VM INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)  
Year ended December 31, 2025

28. Financial instruments-risk management (continued)

## (b) Credit risk (continued)

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

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<br>subject to collateral requirements |             |  |
|-----------------------------------|--|-------------|--|
|                                   | <u>2025</u>  | <u>2024</u> | <u>Collateral type</u>                 |
| <b>Loan advances to customers</b> |  |             |  |
| Margin loans                      | 99%  | 83%         | Debt and equity securities             |
| Corporate loans                   | 100%   | 100%        | Real property, shares, debt securities |
| <b>Resale agreements</b>          | 100%   | 100%        | Debt securities                        |

The following table stratifies credit exposures from loans to customers by ranges of loan-to-value (LTV) ratio. LTV is calculated as the ratio of:

The gross amount of the loan (or the amount committed for loan commitments) to the value of the collateral. The valuation of the collateral excludes any adjustments for obtaining and selling the collateral. For credit-impaired loans, the value of the collateral is based on the most recent appraisals.

|                        | Note      | <u>Group and Company</u> |                  |
|------------------------|-----------|--------------------------|------------------|
|                        |           | <u>2025</u>              | <u>2024</u>      |
|                        |           | <u>\$'000</u>            | <u>\$'000</u>    |
| LTV ratio:             |           |                          |                  |
| Less than 50%          |           | 246,482                  | 1,661,326        |
| 51-70%                 |           | 2,196,837                | 2,246,919        |
| 71-90%                 |           | 131,025                  | 39,516           |
| 91-100%                |           | -                        | -                |
| More than 100%         |           | <u>1,007,687</u>         | <u>716,191</u>   |
| Total                  | 9         | <u>3,582,031</u>         | <u>4,663,952</u> |
| Credit-impaired loans: |           |                          |                  |
| Less than 50%          |           | 63,209                   | 257,961          |
| 51-70%                 |           | 1,643,345                | 185,962          |
| More than 70%          |           | <u>1,103,272</u>         | <u>720,801</u>   |
| Total                  | 28(b)(iv) | <u>2,809,826</u>         | <u>1,164,724</u> |

VM INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)  
Year ended December 31, 2025

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, Bank of Jamaica, foreign government, corporate bonds and preference shares with related party holds substantial amounts of these debt securities (note 6). The management of the concentration of credit risk is guided by the group's Investment Policy, whereby exposure per debt security is limited to 20% of capital base. 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:

|  | <u>Group</u>     |                    |
|--|------------------|--------------------|
|  | <u>2025</u>      |                    |
| <b>Credit grade</b>  | <b>12-month</b>  | <b>Stage 1</b>     |
|  | <b>PD ranges</b> | <b>12-month</b>    |
|  | <b>%</b>         | <b>ECL</b>         |
|  |                  | <b>\$'000</b>      |
| Investment grade   | 0.00-0.07        | 730,774            |
| Non-investment grade   | 0.42-14.72       | <u>20,972,270</u>  |
|  |                  | 21,703,044         |
| Less interest receivable, included<br>in accounts receivable |                  | ( <u>345,712</u> ) |
| (note 6)   |                  | <u>21,357,332</u>  |
| Loss allowance (note 6)                                      |                  | <u>32,761</u>      |

VM INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)  
Year ended December 31, 2025

28. Financial instruments-risk management (continued)

## (b) Credit risk (continued)

## (iv) Maximum exposure to credit risk and credit quality analysis (continued)

- Debt securities at FVOCI (continued):

|  | <u>Group</u>     |                    |
|--|------------------|--------------------|
|  | <u>2024</u>      |                    |
|  | <u>12-month</u>  | <u>Stage 1</u>     |
|  | <u>PD ranges</u> | <u>12-month</u>    |
|  | <u>%</u>         | <u>ECL</u>         |
|  |                  | <u>\$'000</u>      |
| <b>Credit grade</b>  |                  |                    |
| Investment grade   | 0.00-0.07        | 659,893            |
| Non-investment grade   | 0.42-14.72       | <u>15,382,746</u>  |
|  |                  | 16,042,639         |
| Less interest receivable, included<br>in accounts receivable |                  | ( <u>239,937</u> ) |
| (note 6)   |                  | <u>15,802,702</u>  |
| Loss allowance (note 6)                                      |                  | ( <u>23,283</u> )  |

|  | <u>Company</u>   |                   |
|--|------------------|-------------------|
|  | <u>2025</u>      |                   |
|  | <u>12-month</u>  | <u>Stage 1</u>    |
|  | <u>PD ranges</u> | <u>12-month</u>   |
|  | <u>%</u>         | <u>ECL</u>        |
|  |                  | <u>\$'000</u>     |
| <b>Credit grade</b>  |                  |                   |
| Non-investment grade   |                  | <u>1,395,388</u>  |
|  |                  | 1,395,388         |
| Less interest receivable, included<br>in accounts receivable |                  | ( <u>38,785</u> ) |
| (note 6)   |                  | <u>1,356,603</u>  |
| Loss allowance (note 6)                                      |                  | ( <u>575</u> )    |

VM INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)  
Year ended December 31, 2025

28. Financial instruments-risk management (continued)

## (b) Credit risk (continued)

## (iv) Maximum exposure to credit risk and credit quality analysis (continued)

- Resale agreements, investment securities, finance leases, loans receivable and debt securities at amortised cost:

|  | <b>Group</b>      |                           |                           |                           | <b>Total</b>      |
|--|-------------------|---------------------------|---------------------------|---------------------------|-------------------|
|  | <b>2025</b>       |                           |                           |                           |                   |
|  | <b>12-month</b>   | <b>Stage 1</b>            | <b>Stage 2</b>            | <b>Stage 3</b>            |                   |
|  | PD<br>ranges<br>% | 12-month<br>ECL<br>\$'000 | Lifetime<br>ECL<br>\$'000 | Lifetime<br>ECL<br>\$'000 |                   |
| <b>Credit grade</b>  |                   |                           |                           |                           |                   |
| Non-Investment grade   | 0.3-3.0           | 3,614,528                 | 47,882                    | -                         | 3,662,410         |
| Default  | 2.0-100.0         | -                         | -                         | <u>2,809,826</u>          | <u>2,809,826</u>  |
| Gross carrying amount<br>including interest receivable<br>[notes 5,6,9 and 18 (b)] |                   | 3,614,528                 | 47,882                    | 2,809,826                 | 6,472,236         |
| Loss allowance<br>[note 28(b)(v)(d)]   |                   | <u>( 4,239)</u>           | <u>( 3)</u>               | <u>( 544,896)</u>         | <u>( 549,138)</u> |
|  |                   | 3,610,289                 | 47,879                    | 2,264,930                 | 5,923,098         |
| Less: Interest receivable,<br>included in accounts<br>receivable                   |                   | <u>( 93,981)</u>          | -                         | -                         | <u>( 93,981)</u>  |
|  |                   | <u>3,516,308</u>          | <u>47,879</u>             | <u>2,264,930</u>          | <u>5,829,117</u>  |

- Resale agreements, net investment in finance leases, loans receivable and debt securities at amortised cost:

|  | <b>Group</b>      |                           |                           |                           | <b>Total</b>      |
|--|-------------------|---------------------------|---------------------------|---------------------------|-------------------|
|  | <b>2024</b>       |                           |                           |                           |                   |
|  | <b>12-month</b>   | <b>Stage 1</b>            | <b>Stage 2</b>            | <b>Stage 3</b>            |                   |
|  | PD<br>ranges<br>% | 12-month<br>ECL<br>\$'000 | Lifetime<br>ECL<br>\$'000 | Lifetime<br>ECL<br>\$'000 |                   |
| <b>Credit grade</b>  |                   |                           |                           |                           |                   |
| Non-Investment grade   | 0.3-3.0           | 5,269,111                 | 163,972                   | -                         | 5,433,083         |
| Default  | 2.0-100.0         | -                         | -                         | <u>1,164,724</u>          | <u>1,164,724</u>  |
| Gross carrying amount<br>including interest receivable<br>[notes 5,6,9 and 18 (b)] |                   | 5,269,111                 | 163,972                   | 1,164,724                 | 6,597,807         |
| Loss allowance<br>[note 28(b)(v)(d)]   |                   | <u>( 17,754)</u>          | <u>( 168)</u>             | <u>( 559,787)</u>         | <u>( 577,709)</u> |
|  |                   | 5,251,357                 | 163,804                   | 604,937                   | 6,020,098         |
| Less: Interest receivable,<br>included in accounts<br>receivable                   |                   | <u>( 84,374)</u>          | -                         | -                         | <u>( 84,374)</u>  |
|  |                   | <u>5,166,983</u>          | <u>163,804</u>            | <u>604,937</u>            | <u>5,935,724</u>  |

VM INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)  
Year ended December 31, 2025

28. Financial instruments-risk management (continued)

## (b) Credit risk (continued)

## (iv) Maximum exposure to credit risk and credit quality analysis (continued)

- Resale agreements, net investment in finance leases, loans receivable and debt securities at amortised cost (continued):

|   | <b>Company</b>    |                           |                           |                           |                  |
|---|-------------------|---------------------------|---------------------------|---------------------------|------------------|
|   | <b>2025</b>       |                           |                           |                           |                  |
|   | <b>12-month</b>   | <b>Stage 1</b>            | <b>Stage 2</b>            | <b>Stage 3</b>            | <b>Total</b>     |
|   | PD<br>ranges<br>% | 12-month<br>ECL<br>\$'000 | Lifetime<br>ECL<br>\$'000 | Lifetime<br>ECL<br>\$'000 |                  |
| <b>Credit grade</b>   |                   |                           |                           |                           |                  |
| Non-Investment grade  | 0.3-3.0           | 1,845,237                 | 47,882                    | -                         | 1,893,119        |
| Default   | 100.00            | -                         | -                         | <u>2,809,826</u>          | <u>2,809,826</u> |
| Gross carrying amount<br>including interest<br>receivable (notes 5,6,9) |                   | 1,845,237                 | 47,882                    | 2,809,826                 | 4,702,945        |
| Loss allowance<br>[note 28(b)(v)(d)]                                    |                   | ( 3,324)                  | ( 3)                      | ( 544,896)                | ( 548,223)       |
|   |                   | 1,841,913                 | 47,879                    | 2,264,930                 | 4,154,722        |
| Less: Interest receivable,<br>included in accounts<br>receivable        |                   | ( 76,589)                 | -                         | -                         | ( 76,589)        |
|   |                   | <u>1,765,337</u>          | <u>47,879</u>             | <u>2,264,930</u>          | <u>4,078,146</u> |

|   | <b>Company</b>         |                           |                           |                           |                  |
|---|------------------------|---------------------------|---------------------------|---------------------------|------------------|
|   | <b>2024</b>            |                           |                           |                           |                  |
|   | <b>12-month</b>        | <b>Stage 1</b>            | <b>Stage 2</b>            | <b>Stage 3</b>            | <b>Total</b>     |
|   | PD<br>ranges<br>\$'000 | 12-month<br>ECL<br>\$'000 | Lifetime<br>ECL<br>\$'000 | Lifetime<br>ECL<br>\$'000 |                  |
| <b>Credit grade</b>   |                        |                           |                           |                           |                  |
| Non-Investment grade  | 0.3-3.0                | 4,479,872                 | 163,972                   | -                         | 4,643,844        |
| Default   | 100.00                 | -                         | -                         | <u>1,164,724</u>          | <u>1,164,724</u> |
| Gross carrying amount<br>including interest<br>receivable (notes 5,6,9) |                        | 4,479,872                 | 163,972                   | 1,164,724                 | 5,808,568        |
| Loss allowance<br>[note 28(b)(v)(d)]                                    |                        | ( 12,635)                 | ( 168)                    | ( 559,787)                | ( 572,590)       |
|   |                        | 4,467,237                 | 163,804                   | 604,937                   | 5,235,978        |
| Less: Interest receivable,<br>included in accounts<br>receivable        |                        | ( 82,928)                 | -                         | -                         | ( 82,928)        |
|   |                        | <u>4,384,309</u>          | <u>163,804</u>            | <u>604,937</u>            | <u>5,153,050</u> |

VM INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)  
Year ended December 31, 2025

28. Financial instruments-risk management (continued)

## (b) Credit risk (continued)

## (iv) Maximum exposure to credit risk and credit quality analysis (continued)

- Resale agreements, finance leases, loans receivable and debt securities at amortised cost (continued):

**Loans receivable at amortised cost – overdue status**

|                       | <b>Group and Company</b> |                |                  |                  |
|-----------------------|--------------------------|----------------|------------------|------------------|
|                       | <b>2025</b>              |                |                  |                  |
|                       | <b>Stage 1</b>           | <b>Stage 2</b> | <b>Stage 3</b>   | <b>Total</b>     |
|                       | <b>\$'000</b>            | <b>\$'000</b>  | <b>\$'000</b>    | <b>\$'000</b>    |
| Current               | 723,189                  | 49,015         | 2,350,180        | 3,122,383        |
| Past due 1-30 days    | -                        | -              | 220,599          | 220,599          |
| Past due 31-60 days   | -                        | -              | 152,810          | 152,810          |
| Past due 61-90 days   | -                        | -              | 86,238           | 86,238           |
| Past due over 90 days | -                        | -              | 86,238           | 86,238           |
|                       | <u>723,189</u>           | <u>49,015</u>  | <u>2,809,826</u> | <u>3,582,030</u> |

|                       | <b>Group and Company</b> |                |                  |                  |
|-----------------------|--------------------------|----------------|------------------|------------------|
|                       | <b>2024</b>              |                |                  |                  |
|                       | <b>Stage 1</b>           | <b>Stage 2</b> | <b>Stage 3</b>   | <b>Total</b>     |
|                       | <b>\$'000</b>            | <b>\$'000</b>  | <b>\$'000</b>    | <b>\$'000</b>    |
| Current               | 3,335,023                | -              | 144,055          | 3,479,078        |
| Past due 1-30 days    | 234                      | -              | -                | 234              |
| Past due 31-60 days   | -                        | 5,663          | -                | 5,663            |
| Past due 61-90 days   | -                        | 158,309        | -                | 158,309          |
| Past due over 90 days | -                        | -              | 1,020,668        | 1,020,668        |
|                       | <u>3,335,257</u>         | <u>163,972</u> | <u>1,164,724</u> | <u>4,663,952</u> |

## (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.

VM INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)  
Year ended December 31, 2025

28. Financial instruments-risk management (continued)

## (b) Credit risk (continued)

## (v) Impairment (continued)

IFRS 9 outlines a ‘three-stage’ model for impairment based on changes in credit quality since initial recognition as summarised below (continued):

- Financial instruments in Stage 1 have their ECL measured at an amount equal to the portion of lifetime expected credit losses that result from default events possible within the next 12 months. Instruments in Stages 2 or 3 have their ECL measured based on expected credit losses on a lifetime basis. Please refer to below for a description of inputs, assumptions and estimation techniques used in measuring the ECL.
- A pervasive concept in measuring ECL in accordance with IFRS 9 is that it should consider forward- looking information. Please see below which includes an explanation of how the group has incorporated this in its ECL models.

The key judgements and assumptions adopted by the group in addressing the requirements of the standard are discussed below:

*(a) Significant increase in credit risk*

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

The group uses three criteria for determining whether there has been a significant increase in credit risk:

- quantitative test based on movement in PD;
- qualitative indicators; and
- a backstop of 30 days past due.

Credit risk grades:

The group uses internal credit risk gradings that reflect its assessment of the probability of default of individual counterparties. The group uses internal rating models tailored to the various categories of counterparties.

VM INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)  
Year ended December 31, 2025

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 (continued):

Borrower and loan specific information collected at the time of application (such as disposable income, and level of collateral for retail exposures; and turnover and industry type for wholesale exposures) is fed into this rating model. This is supplemented with external data such as credit bureau scoring information on individual borrowers. In addition, the models enable expert judgement from the Credit Risk Officer to be fed into the final internal credit rating for each exposure. This allows for considerations which may not be captured as part of the other data inputs into the model.

For debt securities in the Treasury portfolio which includes benchmark investment notes, treasury bills, US\$ bonds, foreign government securities, corporate bonds and other public sector securities (note 6), external rating agency credit grades are used. These published grades are continuously monitored and updated. The PD's associated with each grade are determined based on realised default rates over the prior 12 months, as published by the rating agency.

Determining whether credit risk has been increased significantly:

The group assesses whether credit risk has increased significantly since initial recognition at each reporting date. Determining whether an increase in credit risk is significant depends on the characteristics of the financial instrument and the borrower.

As a backstop, the group considers that a significant increase in credit risk occurs no later than when an asset is more than 30 days past due. Days past due are determined by counting the number of days since the earliest elapsed due date in respect of which full payment has not been received. Due dates are determined without considering any grace period that might be available to the borrower.

If there is evidence that there is no longer a significant increase in credit risk relative to initial recognition, then the loss allowance on an instrument 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.

VM INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)  
Year ended December 31, 2025

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)*

Determining whether credit risk has been increased significantly (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.

VM INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)  
Year ended December 31, 2025

28. Financial instruments-risk management (continued)

## (b) Credit risk (continued)

## (v) Impairment (continued)

The key judgements and assumptions adopted by the group in addressing the requirements of the standard are discussed below (continued):

*(b) Incorporation of forward-looking information (continued)*

The group formulates three economic scenarios: a base case, which is the median scenario, one upside and one downside scenario. The group concluded that three scenarios appropriately captured non-linearities. The scenario weightings are determined by a combination of statistical analysis and expert credit judgement, taking account of the range of possible outcomes each chosen scenario is representative of.

For the economic scenarios used as at December 31, 2025 and 2024, the following key indicators represent scores used to adjust the forward-looking information for Jamaica for the years 2025 and 2026:

|                    | <u>2025</u> | <u>2026</u> |
|--------------------|-------------|-------------|
| Unemployment rates | 4.0%        | 4.0%        |
| Base               | 0.6         | 0.6         |
| Upside             | 0.3         | 0.6         |
| Downside           | 0.6         | 0.8         |
| Interest rates     | 5.0%        | 6.0%        |
| Base               | 0.2         | 0.2         |
| Upside             | 0.2         | 0.2         |
| Downside           | 0.2         | 0.2         |
| GDP growth         | 2.0%        | 1.0%        |
| Base               | 0.3         | 0.2         |
| Upside             | 0.2         | 0.2         |
| Downside           | 0.3         | 0.3         |
| Inflation rates    | 5.0%        | 5.0%        |
| Base               | 0.1         | 0.2         |
| Upside             | 0.1         | 0.2         |
| 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, 2025

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.

VM INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)  
Year ended December 31, 2025

28. Financial instruments-risk management (continued)

## (b) Credit risk (continued)

## (v) Impairment (continued)

The key judgements and assumptions adopted by the group in addressing the requirements of the standard are discussed below (continued):

*(d) Loss allowance*

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

Debt securities at FVOCI:

|  | <b><u>Group</u></b><br><b><u>2025</u></b><br><b>Stage 1</b><br>12-month<br><b><u>ECL</u></b><br>\$'000 |
|--|--|
| Balance as at January 1, 2025                          | <u>23,283</u>  |
| New financial assets originated<br>or purchased        | 15,459   |
| Financial assets derecognised<br>during the year       | (10,332)   |
| Foreign exchange adjustment                            | 4,159  |
| Changes in models/assumptions used in ECL calculation  | <u>192</u>   |
| Net remeasurement of loss allowance [note 28(b)(v)(f)] | <u>9,478</u>   |
| Balance as at December 31, 2025 (note 6)               | <u>32,761</u>  |
|  | <b><u>Group</u></b><br><b><u>2024</u></b><br><b>Stage 1</b><br>12-month<br><b><u>ECL</u></b><br>\$'000 |
| Balance as at January 1, 2024                          | <u>30,200</u>  |
| New financial assets originated<br>or purchased        | 7,288  |
| Financial assets derecognised<br>during the year       | ( 8,890)   |
| Foreign exchange adjustment                            | 88   |
| Changes in models/assumptions used in ECL calculation  | <u>( 5,403)</u>  |
| Net remeasurement of loss allowance [note 28(b)(v)(f)] | <u>( 6,917)</u>  |
| Balance as at December 31, 2024 (note 6)               | <u>23,283</u>  |

VM INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)  
Year ended December 31, 2025

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)*

|  | <b><u>Company</u></b><br><b><u>2025</u></b><br><b>Stage 1</b><br>12-month<br><b><u>ECL</u></b><br>\$'000 |
|--|--|
| Balance as at January 1, 2025                          | -  |
| New financial assets originated<br>or purchased        | <u>575</u>   |
| Net remeasurement of loss allowance [note 28(b)(v)(f)] | <u>575</u>   |
| Balance as at December 31, 2025 (note 6)               | <u>575</u>   |

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

|  | <b><u>Group</u></b><br><b><u>2025</u></b>                        |  |  |                               |
|--|--|--|--|-------------------------------|
|  | <b><u>Stage 1</u></b><br>12-month<br><b><u>ECL</u></b><br>\$'000 | <b><u>Stage 2</u></b><br>Lifetime<br><b><u>ECL</u></b><br>\$'000 | <b><u>Stage 3</u></b><br>Lifetime<br><b><u>ECL</u></b><br>\$'000 | <b><u>Total</u></b><br>\$'000 |
| Balance as at January 1, 2025                                | 17,754   | 168  | 559,787  | 577,709                       |
| New financial assets<br>originated/purchased                 | 1,897  | -  | -  | 1,897                         |
| Financial assets derecognised<br>during the year             | ( 5,843)   | -  | -  | ( 5,843)                      |
| Changes to inputs used in ECL<br>calculation                 | ( 9,569)   | (165)  | ( 14,891)  | ( 24,625)                     |
| Net remeasurement of loss<br>allowance [note 28(b)(v)(f)]    | (13,515)   | (165)  | ( 14,891)  | ( 28,571)                     |
| Balance as at December 31, 2025<br>[notes 5, 6, 9 and 18(b)] | <u>4,239</u>   | <u>3</u>   | <u>544,896</u>   | <u>549,138</u>                |

VM INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)  
Year ended December 31, 2025

28. Financial instruments-risk management (continued)

## (b) Credit risk (continued)

## (v) Impairment (continued)

The key judgements and assumptions adopted by the group in addressing the requirements of the standard are discussed below (continued):

(d) *Loss allowance (continued)*

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

|  | <b>Group</b>    |                 |                 |                |
|--|-----------------|-----------------|-----------------|----------------|
|  | <b>2024</b>     |                 |                 |                |
|  | <b>Stage 1</b>  | <b>Stage 2</b>  | <b>Stage 3</b>  | <b>Total</b>   |
|  | 12-month<br>ECL | Lifetime<br>ECL | Lifetime<br>ECL |                |
|  | \$'000          | \$'000          | \$'000          | \$'000         |
| Balance as at January 1, 2024                                | 17,455          | 306             | 287,098         | 304,859        |
| New financial assets<br>originated/purchased                 | 7,001           | 168             | 420             | 7,589          |
| Financial assets derecognised<br>during the year             | ( 511)          | -               | -               | ( 511)         |
| Changes to inputs used in ECL<br>calculation                 | ( 6,191)        | (306)           | 272,269         | 265,772        |
| Net remeasurement of loss<br>allowance [note 28(b)(v)(f)]    | 299             | (138)           | 272,689         | 272,850        |
| Balance as at December 31, 2024<br>[notes 5, 6, 9 and 18(b)] | <u>17,754</u>   | <u>168</u>      | <u>559,787</u>  | <u>577,709</u> |
|  | <b>Company</b>  |                 |                 |                |
|  | <b>2025</b>     |                 |                 |                |
|  | <b>Stage 1</b>  | <b>Stage 2</b>  | <b>Stage 3</b>  |                |
|  | 12-month<br>ECL | Lifetime<br>ECL | Lifetime<br>ECL | <b>Total</b>   |
|  | \$'000          | \$'000          | \$'000          | \$'000         |
| Balance as at January 1, 2025                                | 12,635          | 168             | 559,787         | 572,590        |
| New financial assets<br>originated/purchased                 | 982             | -               | 40,031          | 41,013         |
| Financial assets derecognised<br>during the year             | 724             | -               | -               | 724            |
| Changes in inputs used in ECL<br>calculations                | ( 9,569)        | (165)           | ( 54,922)       | ( 64,655)      |
| Net remeasurement of loss<br>allowance [note 28(b)(v)(f)]    | ( 9,311)        | (165)           | ( 14,891)       | ( 24,367)      |
| Balance as at December 31, 2025<br>[note 5, 6, 9, 18(b)]     | <u>3,324</u>    | <u>3</u>        | <u>544,896</u>  | <u>548,223</u> |

VM INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)  
Year ended December 31, 2025

28. Financial instruments-risk management (continued)

## (b) Credit risk (continued)

## (v) Impairment (continued)

The key judgements and assumptions adopted by the group in addressing the requirements of the standard are discussed below (continued):

(d) *Loss allowance (continued)*

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

|   | <b>Company</b>  |                 |                 |                |
|---|-----------------|-----------------|-----------------|----------------|
|   | <b>2024</b>     |                 |                 |                |
|   | <b>Stage 1</b>  | <b>Stage 2</b>  | <b>Stage 3</b>  | <b>Total</b>   |
|   | <b>12-month</b> | <b>Lifetime</b> | <b>Lifetime</b> |                |
| <b>ECL</b>  | <b>ECL</b>      | <b>ECL</b>      | <b>ECL</b>      |                |
|   | <b>\$'000</b>   | <b>\$'000</b>   | <b>\$'000</b>   | <b>\$'000</b>  |
| Balance as at January 1, 2025                             | 16,944          | 306             | 287,098         | 304,348        |
| New financial assets<br>originated/purchased              | 1,882           | 168             | 420             | 2,470          |
| Changes in inputs used in ECL<br>calculations             | ( 6,191)        | ( 306)          | 272,269         | 265,772        |
| Net remeasurement of loss<br>allowance [note 28(b)(v)(f)] | ( 4,309)        | ( 138)          | 272,689         | 268,242        |
| Balance as at December 31, 2025<br>[note 5, 6, 9, 18(b)]  | <u>12,635</u>   | <u>168</u>      | <u>559,787</u>  | <u>572,590</u> |

(e) *Expected credit loss assessment*

The following table provides information about the exposure to credit risk and ECLs for accounts receivable.

|                        | <b>Group</b>     |                 |                  |                 |
|------------------------|------------------|-----------------|------------------|-----------------|
|                        | <b>2025</b>      |                 |                  |                 |
|                        | <b>Weighted</b>  | <b>Gross</b>    | <b>Loss</b>      | <b>Credit</b>   |
| <b>Age buckets</b>     | <b>average</b>   | <b>carrying</b> | <b>allowance</b> | <b>impaired</b> |
|                        | <b>loss rate</b> | <b>amount</b>   | <b>\$'000</b>    | <b>\$'000</b>   |
| Current (not past due) | 1.54%            | 78,608          | 1,208            | No              |
| 31-60 days             | 0.00%            | 11,702          | -                | No              |
| 61-90 days             | 0.00%            | 62,316          | -                | No              |
| Over 90 days           | 116.16%          | <u>192,902</u>  | <u>224,066</u>   | Yes             |
|                        |                  | <u>345,528</u>  | <u>225,274</u>   |                 |

VM INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)  
Year ended December 31, 2025

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):

(e) *Expected credit loss assessment (continued)*

The following table provides information about the exposure to credit risk and ECLs for accounts receivable (continued).

|                        | <b>Group</b>                              |  |                                     |                            |
|------------------------|---|--|-------------------------------------|----------------------------|
|                        | <b>2024</b>                               |  |                                     |                            |
| <u>Age buckets</u>     | <u>Weighted<br/>average<br/>loss rate</u> | <u>Gross<br/>carrying<br/>amount</u><br>\$'000 | <u>Loss<br/>allowance</u><br>\$'000 | <u>Credit<br/>impaired</u> |
| Current (not past due) | 0.00%                                     | 69,060   | 3                                   | No                         |
| 31-60 days             | 0.00%                                     | 23,473   | -                                   | No                         |
| 61-90 days             | 0.00%                                     | 6,467  | -                                   | No                         |
| Over 90 days           | 75.37%                                    | <u>171,490</u>                                 | <u>129,247</u>                      | Yes                        |
|                        |   | <u>270,490</u>                                 | <u>129,250</u>                      |                            |

|                        | <b>Company</b>                            |  |                                     |                            |
|------------------------|---|--|-------------------------------------|----------------------------|
|                        | <b>2025</b>                               |  |                                     |                            |
| <u>Age buckets</u>     | <u>Weighted<br/>average<br/>loss rate</u> | <u>Gross<br/>carrying<br/>amount</u><br>\$'000 | <u>Loss<br/>allowance</u><br>\$'000 | <u>Credit<br/>impaired</u> |
| Current (not past due) | 0.00%                                     | 9,109  | -                                   | No                         |
| 31-60 days             | 0.00%                                     | 36   | -                                   | No                         |
| 61-90 days             | 0.00%                                     | -  | -                                   | No                         |
| Over 90 days           | 0.00%                                     | <u>9,128</u>                                   | <u>-</u>                            | Yes                        |
|                        |   | <u>18,273</u>                                  | <u>-</u>                            |                            |

VM INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)  
Year ended December 31, 2025

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):

*(f) Reconciliation of loss allowance for ECL*

Loss allowance recognised/(reversed) in the income statement on financial assets during the year is summarised below:

|  | <u>Group</u>    |                  |
|--|-----------------|------------------|
|  | <u>2025</u>     | <u>2024</u>      |
|  | \$'000          | \$'000           |
| Debt securities at FVOCI (note 6)  | 9,478           | ( 6,917)         |
| Resale agreements, debt securities, loans receivable,<br>and finance leases at amortised cost                                    | (28,317)        | 272,850          |
| Accounts receivable [note 10(a)]   | <u>96,024</u>   | <u>(102,066)</u> |
|  | <u>77,185</u>   | <u>163,867</u>   |
|  | <u>Company</u>  |                  |
|  | <u>2025</u>     | <u>2024</u>      |
|  | \$'000          | \$'000           |
| Debt securities at FVOCI   | 575             | -                |
| Debt securities, finance leases, loans receivable and<br>resale agreements at amortised cost<br>[notes 5,6,9,18(b), 28(b)(v)(d)] | (24,367)        | 268,242          |
|  | <u>(23,792)</u> | <u>268,242</u>   |

## (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.

VM INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)  
Year ended December 31, 2025

28. Financial instruments-risk management (continued)

## (c) Liquidity risk (continued)

The group's liquidity management process, as monitored by the Asset and Liability Committee, includes:

- (i) Monitoring future cash flows and liquidity on a daily basis. This incorporates collateral which could be used to secure funding if required;
- (ii) Maintaining a portfolio of highly marketable and diverse assets that can readily be liquidated as protection against any unforeseen interruption to cash flows;
- (iii) Optimising cash returns on investments;
- (iv) Monitoring liquidity ratios against internal and regulatory requirements. The most important of these is to maintain limits on the ratio of net liquid assets to customer liabilities;
- (v) Maintaining cash reserves well above the Regulatory requirement towards absorbing any additional shocks; and
- (vi) Managing the concentration and profile of debt maturities.

Monitoring and reporting take the form of cash flow measurement and projections for the next day, week and month, respectively, as these are key periods for liquidity management. The starting point for those projections is an analysis of the contractual maturity of the financial liabilities and the expected collection date of the financial assets.

The subsidiary company manages liquidity risk by keeping a pre-determined portion of its financial assets in liquid form. The key measure used for monitoring liquidity risk is the ninety-day liquidity gap ratio. In computing the ratio, the numerator is calculated by subtracting the total assets maturing within ninety days from the total liabilities which fall due in ninety days. The denominator is total liabilities. The subsidiary company's ninety-day liquidity gap ratio at the end of the year was 72% (2024: 72%).

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, 2025

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, concluded the new bonds (borrowings) raise amounted to \$ 800,000,000 (2024: \$5,433,966,000) issued by the company have been used to finance maturing bonds.

The group is also able to meet unexpected net cash outflows by selling securities and accessing funding from the ultimate parent company and from other financial institutions.

The maturity gapping of the assets and liabilities is a core business line of the company which is managed by our Investment Policy and governed by our Risk Management Unit, the Group Asset and Liability Committee and the Finance Committee of the Board.

An unmatched position potentially enhances profitability but can also increase the risk of loss. Based on historical trend, there is no expectation that the investments by our clients will be withdrawn or repaid by the Company within 3 months despite the maturity dates as a majority of the clients will reinvest. These investments are from a diverse set of clients. Liquid assets are far in excess of the obligation within 3 months.

|   | <u>Group</u>        |                     |                   |                    |                   |
|---|---------------------|---------------------|-------------------|--------------------|-------------------|
|   | <u>2025</u>         |                     |                   |                    |                   |
|   | <u>Within 3</u>     | <u>3 to 12</u>      | <u>Over 12</u>    | <u>Contractual</u> | <u>Carrying</u>   |
|   | <u>months</u>       | <u>months</u>       | <u>months</u>     | <u>cashflow</u>    | <u>amount</u>     |
|   | <u>\$'000</u>       | <u>\$'000</u>       | <u>\$'000</u>     | <u>\$'000</u>      | <u>\$'000</u>     |
| <b>Financial assets</b>   |                     |                     |                   |                    |                   |
| Cash and cash equivalents   | 681,291             | -                   | -                 | 681,291            | 681,291           |
| Resale agreements,<br>including interest  | 1,477,100           | 228,147             | -                 | 1,705,247          | 1,705,220         |
| Investment securities   | 944,685             | 477,057             | 38,196,540        | 39,618,282         | 24,119,133        |
| Loans receivable and net<br>investment in finance leases,<br>including interest | 1,236,354           | 464,172             | 2,079,457         | 3,779,983          | 3,082,953         |
| Accounts receivable *   | <u>209,497</u>      | <u>-</u>            | <u>-</u>          | <u>209,497</u>     | <u>209,497</u>    |
| Total financial assets  | <u>4,548,926</u>    | <u>1,169,376</u>    | <u>40,275,997</u> | <u>45,994,300</u>  | <u>29,798,094</u> |
| <b>Financial liabilities</b>  |                     |                     |                   |                    |                   |
| Borrowings  | -                   | 4,239,225           | 3,579,479         | 7,818,704          | 7,019,385         |
| Accounts payable **   | 1,864,593           | -                   | -                 | 1,864,593          | 1,864,593         |
| Repurchase agreements,<br>including interest                                    | 17,301,707          | 4,617,664           | -                 | 21,919,371         | 21,909,566        |
| Lease liabilities including<br>interest   | 3,628               | 13,614              | 14,924            | 32,166             | 28,492            |
| Due to ultimate parent<br>company   | 8,366               | -                   | -                 | 8,366              | 8,366             |
| Due to immediate parent<br>company  | <u>147,426</u>      | <u>-</u>            | <u>-</u>          | <u>147,426</u>     | <u>147,426</u>    |
| Total financial liabilities   | <u>19,325,720</u>   | <u>8,870,503</u>    | <u>3,594,403</u>  | <u>31,790,626</u>  | <u>30,977,829</u> |
| On statement of financial<br>position gap, being total<br>liquidity gap         | <u>(14,776,793)</u> | <u>( 7,701,127)</u> | <u>36,681,594</u> | <u>14,203,674</u>  |                   |
| Cumulative gap  | <u>(14,776,793)</u> | <u>(22,477,920)</u> | <u>14,203,674</u> | <u>-</u>           |                   |

VM INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)  
Year ended December 31, 2025

28. Financial instruments-risk management (continued)

## (c) Liquidity risk (continued)

|   | <b>Group</b>        |                     |                   |                    |                   |
|---|---------------------|---------------------|-------------------|--------------------|-------------------|
|   | <b>2024</b>         |                     |                   |                    |                   |
|   | <b>Within 3</b>     | <b>3 to 12</b>      | <b>Over 12</b>    | <b>Contractual</b> | <b>Carrying</b>   |
|   | <b>months</b>       | <b>months</b>       | <b>months</b>     | <b>cashflow</b>    | <b>amount</b>     |
|   | <b>\$'000</b>       | <b>\$'000</b>       | <b>\$'000</b>     | <b>\$'000</b>      | <b>\$'000</b>     |
| <b>Financial assets</b>   |                     |                     |                   |                    |                   |
| Cash and cash equivalents   | 1,469,290           | -                   | -                 | 1,469,290          | 1,469,290         |
| Resale agreements,<br>including interest  | 416,949             | 453,586             | -                 | 870,535            | 863,364           |
| Investment securities   | 1,174,584           | 316,882             | 27,007,115        | 28,498,581         | 18,037,435        |
| Loans receivable and net<br>investment in finance<br>leases, including interest | 946,890             | 1,182,641           | 3,514,122         | 5,643,653          | 4,218,200         |
| Accounts receivable *   | <u>207,829</u>      | <u>-</u>            | <u>-</u>          | <u>207,829</u>     | <u>207,829</u>    |
| Total financial assets  | <u>4,215,542</u>    | <u>1,953,109</u>    | <u>30,521,237</u> | <u>36,689,888</u>  | <u>24,796,118</u> |
| <b>Financial liabilities</b>  |                     |                     |                   |                    |                   |
| Borrowings  | 6,272,738           | 739,209             | 2,537,038         | 9,548,985          | 8,468,822         |
| Accounts payable **   | 2,708,130           | -                   | -                 | 2,708,130          | 2,708,130         |
| Repurchase agreements,<br>including interest                                    | 10,102,384          | 3,717,736           | 251,725           | 14,071,845         | 14,066,295        |
| Lease liabilities including<br>interest   | 4,377               | 13,130              | 32,164            | 49,671             | 42,385            |
| Due to ultimate parent<br>company   | 3,840               | -                   | -                 | 3,840              | 3,840             |
| Due to immediate parent<br>company  | <u>128,212</u>      | <u>-</u>            | <u>-</u>          | <u>128,212</u>     | <u>128,212</u>    |
| Total financial liabilities   | <u>19,219,681</u>   | <u>4,470,075</u>    | <u>2,820,927</u>  | <u>26,510,683</u>  | <u>25,417,684</u> |
| On statement of financial<br>position gap, being total<br>liquidity gap         | <u>(15,004,139)</u> | <u>( 2,516,966)</u> | <u>27,700,310</u> | <u>10,179,205</u>  |                   |
| Cumulative gap  | <u>(15,004,139)</u> | <u>(17,521,105)</u> | <u>10,179,205</u> | <u>-</u>           |                   |

VM INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)  
Year ended December 31, 2025

28. Financial instruments-risk management (continued)

## (c) Liquidity risk (continued)

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

|  | <b>Company</b>             |                           |                           |                                 |                            |
|--|----------------------------|---------------------------|---------------------------|---------------------------------|----------------------------|
|  | <b>2025</b>                |                           |                           |                                 |                            |
|  | <b>Within 3<br/>months</b> | <b>3 to 12<br/>months</b> | <b>Over 12<br/>months</b> | <b>Contractual<br/>cashflow</b> | <b>Carrying<br/>amount</b> |
|  | <b>\$'000</b>              | <b>\$'000</b>             | <b>\$'000</b>             | <b>\$'000</b>                   | <b>\$'000</b>              |
| <b>Financial assets</b>  |                            |                           |                           |                                 |                            |
| Cash and cash equivalents  | 111,773                    | -                         | -                         | 111,773                         | 111,773                    |
| Loans receivable and net<br>investment in finance leases<br>including interest | 1,236,354                  | 464,172                   | 2,079,457                 | 3,779,983                       | 3,082,953                  |
| Accounts receivable*   | 15,085                     | -                         | -                         | 15,085                          | 15,085                     |
| Investments  | <u>559,586</u>             | <u>-</u>                  | <u>5,355,988</u>          | <u>5,915,574</u>                | <u>3,751,667</u>           |
| Total financial assets   | <u>1,922,798</u>           | <u>464,172</u>            | <u>7,435,445</u>          | <u>9,822,415</u>                | <u>6,961,478</u>           |
| <b>Financial liabilities</b>   |                            |                           |                           |                                 |                            |
| Borrowings   | -                          | 4,239,225                 | 3,579,479                 | 7,818,704                       | 7,006,163                  |
| Accounts payable**   | 143,554                    | -                         | -                         | 143,554                         | 143,554                    |
| Repurchase agreements,<br>including interest                                   | 1,732,185                  | -                         | -                         | 1,732,185                       | 1,722,380                  |
| Due to ultimate parent<br>company  | 5,496                      | -                         | -                         | 5,496                           | 5,496                      |
| Due to parent company  | 19,333                     | -                         | -                         | 19,333                          | 19,333                     |
| Due to subsidiary  | <u>182,165</u>             | <u>-</u>                  | <u>-</u>                  | <u>182,165</u>                  | <u>182,165</u>             |
| Total financial liabilities  | <u>2,082,733</u>           | <u>4,239,225</u>          | <u>3,579,479</u>          | <u>9,901,437</u>                | <u>9,079,091</u>           |
| On statement of financial<br>position gap, being total<br>liquidity gap        | ( 159,935)                 | (3,775,053)               | 3,855,996                 | ( 79,022)                       |                            |
| Cumulative gap   | <u>( 159,935)</u>          | <u>(3,934,988)</u>        | <u>( 79,022)</u>          | <u>-</u>                        |                            |

VM INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)  
Year ended December 31, 2025

28. Financial instruments-risk management (continued)

## (c) Liquidity risk (continued)

|  | <b>Company</b>             |                           |                           |                                 |                            |
|--|----------------------------|---------------------------|---------------------------|---------------------------------|----------------------------|
|  | <b>2024</b>                |                           |                           |                                 |                            |
|  | <b>Within 3<br/>months</b> | <b>3 to 12<br/>months</b> | <b>Over 12<br/>months</b> | <b>Contractual<br/>cashflow</b> | <b>Carrying<br/>amount</b> |
|  | <b>\$'000</b>              | <b>\$'000</b>             | <b>\$'000</b>             | <b>\$'000</b>                   | <b>\$'000</b>              |
| <b>Financial assets</b>  |                            |                           |                           |                                 |                            |
| Cash and cash equivalents  | 114,452                    | -                         | -                         | 114,452                         | 114,452                    |
| Resale agreements<br>including interest  | 416,949                    | 29,204                    | -                         | 446,153                         | 438,982                    |
| Loans receivable and net<br>investment in finance leases<br>including interest | 946,890                    | 1,182,641                 | 3,514,122                 | 5,643,653                       | 4,218,200                  |
| Accounts receivable*   | 41,872                     | -                         | -                         | 41,872                          | 41,872                     |
| Investments  | <u>40,012</u>              | <u>107,448</u>            | <u>1,348,499</u>          | <u>1,495,959</u>                | <u>1,634,503</u>           |
| Total financial assets   | <u>1,560,175</u>           | <u>1,319,293</u>          | <u>4,862,621</u>          | <u>7,742,089</u>                | <u>6,448,009</u>           |
| <b>Financial liabilities</b>   |                            |                           |                           |                                 |                            |
| Borrowings   | 6,272,738                  | 739,209                   | 2,537,038                 | 9,548,985                       | 8,455,600                  |
| Accounts payable**   | 74,500                     | -                         | -                         | 74,500                          | 74,500                     |
| Repurchase agreements,<br>including interest                                   | 380,247                    | -                         | -                         | 380,247                         | 378,289                    |
| Due to ultimate parent<br>company  | 1,044                      | -                         | -                         | 1,044                           | 1,044                      |
| Due to subsidiary  | <u>1,810</u>               | <u>-</u>                  | <u>-</u>                  | <u>1,810</u>                    | <u>1,810</u>               |
| Total financial liabilities  | <u>6,730,339</u>           | <u>739,209</u>            | <u>2,537,038</u>          | <u>10,006,586</u>               | <u>8,911,243</u>           |
| On statement of financial<br>position gap, being total<br>liquidity gap        | (5,170,164)                | <u>580,084</u>            | <u>2,325,583</u>          | (2,264,497)                     |                            |
| Cumulative gap   | <u>(5,170,164)</u>         | <u>(4,590,080)</u>        | <u>(2,264,497)</u>        | <u>-</u>                        |                            |

\*Accounts receivable excludes interest receivable and prepayments.

\*\*Accounts payable excludes interest payable, withholding taxes and GCT payable.

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

There was no change to the group’s approach to managing liquidity risk during the year.

## (d) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices, whether caused by factors specific to the individual security or its issuer, or factors affecting all securities traded in the market.

These arise mainly from changes in interest rate, foreign currency rates and equity prices and will affect the group’s income or the value of its holdings of financial instruments.

VM INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)  
Year ended December 31, 2025

28. Financial instruments-risk management (continued)

## (d) Market risk (continued)

Market risk is monitored by management which carries out extensive research and monitors the price movement of financial assets on the local and international markets. Market risk exposures are measured using sensitivity analysis.

The group's market risk management process, includes active monitoring of our portfolio of assets.

## (i) Foreign currency risk

Foreign currency risk is the risk that the market value of, or the cash flows from, financial instruments will vary because of exchange rate fluctuations. The group is exposed to foreign currency risk due to fluctuations in exchange rates on transactions and balances that are denominated in currencies other than the Jamaica dollar.

The main currency giving rise to this risk is the United States dollar (US\$). The group ensures that this risk is kept to an acceptable level by matching foreign currency assets with foreign currency liabilities, to the extent practicable. The net foreign currency exposure is kept to an acceptable level by buying or selling currencies at spot rates when necessary to address short-term imbalances. Foreign exchange gains and losses from these activities are included in other income.

At the reporting date, the group's exposure to foreign currency risk was as follows, in nominal amounts:

|                               | <b>Group</b>    |                 | <b>Company</b>  |                 |
|-------------------------------|-----------------|-----------------|-----------------|-----------------|
|                               | <b>2025</b>     | <b>2024</b>     | <b>2025</b>     | <b>2024</b>     |
|                               | <b>US\$'000</b> | <b>US\$'000</b> | <b>US\$'000</b> | <b>US\$'000</b> |
| Foreign currency assets:      |                 |                 |                 |                 |
| Cash and cash equivalents     | 2,996           | 1,770           | -               | 5               |
| Resale agreements             | 16,626          | 2,325           | -               | 180             |
| Investment securities         | 73,441          | 58,487          | 6,843           | 5,150           |
| Loans receivable              | 1,029           | 926             | 1,029           | 926             |
| Accounts receivable           | <u>4,386</u>    | <u>1,152</u>    | <u>1,303</u>    | <u>175</u>      |
|                               | <u>98,478</u>   | <u>64,660</u>   | <u>9,175</u>    | <u>6,436</u>    |
| Foreign currency liabilities: |                 |                 |                 |                 |
| Accounts payable              | 16,132          | 5,389           | 195             | 153             |
| Repurchase agreements         | <u>77,288</u>   | <u>50,728</u>   | <u>5,984</u>    | <u>-</u>        |
|                               | <u>93,420</u>   | <u>56,117</u>   | <u>6,179</u>    | <u>153</u>      |
| Net foreign currency assets   | <u>5,058</u>    | <u>8,543</u>    | <u>2,996</u>    | <u>6,283</u>    |

VM INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)  
Year ended December 31, 2025

28. Financial instruments-risk management (continued)

## (d) Market risk (continued)

## (i) Foreign currency risk (continued)

## Foreign exchange rates

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

|                      | <u>2025</u>     | <u>2024</u>     |
|----------------------|-----------------|-----------------|
|                      | \$              | \$              |
| United States dollar | <u>158.9254</u> | <u>155.6022</u> |

## Sensitivity to foreign exchange rate movements:

A 1% strengthening (2024: 1%) and a 1.5% weakening (2024: 4%) of the Jamaica dollar against the United States dollar at December 31, 2025 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 2024.

|           | <u>Group</u>                         |                             |                                      |                             |
|-----------|--------------------------------------|-----------------------------|--------------------------------------|-----------------------------|
|           | <u>2025</u>                          |                             | <u>2024</u>                          |                             |
|           | <u>% Change in<br/>Currency Rate</u> | <u>Effect on<br/>Profit</u> | <u>% Change in<br/>Currency Rate</u> | <u>Effect on<br/>Profit</u> |
|           | %                                    | \$'000                      | %                                    | \$'000                      |
| Currency: |                                      |                             |                                      |                             |
| US\$      | <u>1% Revaluation</u>                | <u>6,689</u>                | <u>1% Revaluation</u>                | <u>13,293</u>               |
| US\$      | <u>1.5% Devaluation</u>              | <u>(10,034)</u>             | <u>4% Devaluation</u>                | <u>(53,172)</u>             |

|           | <u>Company</u>                       |                             |                                      |                             |
|-----------|--------------------------------------|-----------------------------|--------------------------------------|-----------------------------|
|           | <u>2025</u>                          |                             | <u>2024</u>                          |                             |
|           | <u>% Change in<br/>Currency Rate</u> | <u>Effect on<br/>Profit</u> | <u>% Change in<br/>Currency Rate</u> | <u>Effect on<br/>Profit</u> |
|           | %                                    | \$'000                      | %                                    | \$'000                      |
| Currency: |                                      |                             |                                      |                             |
| US\$      | <u>1% Revaluation</u>                | <u>2,908</u>                | <u>1% Revaluation</u>                | <u>9,776</u>                |
| US\$      | <u>1.% Devaluation</u>               | <u>(4,363)</u>              | <u>4% Devaluation</u>                | <u>(39,106)</u>             |

VM INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)  
Year ended December 31, 2025

28. Financial instruments-risk management (continued)

## (d) Market risk (continued)

## (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.

|                                    | <b>Group</b>        |                     |                   |                  | <b>Total</b>      |
|------------------------------------|---------------------|---------------------|-------------------|------------------|-------------------|
|                                    | <b>2025</b>         |                     |                   |                  |                   |
|                                    | <b>Within 3</b>     | <b>3 to 12</b>      | <b>Over 12</b>    | <b>Non-rate</b>  |                   |
|                                    | <b>months</b>       | <b>months</b>       | <b>months</b>     | <b>sensitive</b> |                   |
|                                    | <b>\$'000</b>       | <b>\$'000</b>       | <b>\$'000</b>     | <b>\$'000</b>    | <b>\$'000</b>     |
| <b>Financial assets</b>            |                     |                     |                   |                  |                   |
| Cash and cash equivalents          | 111,773             | -                   | -                 | -                | 111,773           |
| Resale agreements***               | 13                  | -                   | -                 | 1,705,247        | 1,705,260         |
| Loans receivable ***               | 1,422,566           | 429,479             | 1,770,351         | -                | 3,622,396         |
| Investment securities***           | 1,009,813           | 663,721             | 22,231,052        | 1,261,342        | 25,165,928        |
| Accounts receivable*               | -                   | -                   | -                 | 209,497          | 209,497           |
| Net investment in finance leases   | -                   | -                   | 5,456             | -                | 5,456             |
| Total financial assets             | <u>2,544,165</u>    | <u>1,093,200</u>    | <u>24,006,859</u> | <u>3,176,086</u> | <u>30,820,310</u> |
| <b>Financial liabilities</b>       |                     |                     |                   |                  |                   |
| Lease liabilities                  | -                   | -                   | -                 | 28,492           | 28,492            |
| Repurchase agreements              | 17,288,362          | 3,670,117           | -                 | -                | 20,958,479        |
| Borrowings                         | -                   | 3,952,608           | 3,047,902         | -                | 7,000,510         |
| Due to immediate parent company    | -                   | -                   | -                 | 147,426          | 147,426           |
| Due to ultimate parent company     | -                   | -                   | -                 | 8,366            | 8,366             |
| Accounts payable**                 | -                   | -                   | -                 | 1,864,593        | 1,864,593         |
| Total financial liabilities        | <u>17,288,362</u>   | <u>7,622,725</u>    | <u>3,047,902</u>  | <u>2,048,877</u> | <u>30,007,866</u> |
| Total interest sensitivity gap**** | <u>(14,744,197)</u> | <u>( 6,529,525)</u> | <u>20,958,957</u> | <u>1,127,209</u> | <u>812,444</u>    |
| Cumulative gap                     | <u>(14,744,197)</u> | <u>(21,273,722)</u> | <u>( 314,765)</u> | <u>812,444</u>   | <u>-</u>          |

VM INVESTMENTS LIMITEDNotes to the Financial Statements (Continued)  
Year ended December 31, 202528. Financial instruments-risk management (continued)

## (d) Market risk (continued)

## (ii) Interest rate risk (continued)

|                                    | <b>Group</b>               |                           |                           |                               |                    |
|------------------------------------|----------------------------|---------------------------|---------------------------|-------------------------------|--------------------|
|                                    | <b>2024</b>                |                           |                           |                               |                    |
|                                    | <b>Within 3<br/>months</b> | <b>3 to 12<br/>months</b> | <b>Over 12<br/>months</b> | <b>Non-rate<br/>sensitive</b> | <b>Total</b>       |
|                                    | <b>\$'000</b>              | <b>\$'000</b>             | <b>\$'000</b>             | <b>\$'000</b>                 | <b>\$'000</b>      |
| <b>Financial assets</b>            |                            |                           |                           |                               |                    |
| Cash and cash equivalents          | 389,112                    | -                         | -                         | 1,080,178                     | 1,469,290          |
| Resale agreements***               | 280,785                    | 82,285                    | -                         | 500,526                       | 863,596            |
| Loans receivable ***               | 780,517                    | 872,007                   | 3,072,633                 | -                             | 4,725,157          |
| Investment securities***           | 1,175,695                  | 186,370                   | 15,912,965                | 2,500,911                     | 19,775,940         |
| Accounts receivable*               | -                          | -                         | -                         | 207,829                       | 207,829            |
| Net investment in finance leases   | <u>10,912</u>              | <u>25,438</u>             | <u>18,409</u>             | <u>-</u>                      | <u>54,759</u>      |
| Total financial assets             | <u>2,637,021</u>           | <u>1,166,100</u>          | <u>19,004,007</u>         | <u>4,289,444</u>              | <u>27,096,572</u>  |
| <b>Financial liabilities</b>       |                            |                           |                           |                               |                    |
| Lease liabilities                  | -                          | -                         | -                         | 42,385                        | 42,385             |
| Repurchase agreements              | 10,097,252                 | 3,717,318                 | 251,677                   | -                             | 14,066,247         |
| Borrowings                         | 5,619,392                  | 511,158                   | 2,363,883                 | -                             | 8,494,433          |
| Due to immediate parent company    | -                          | -                         | -                         | 128,212                       | 128,212            |
| Due to ultimate parent company     | -                          | -                         | -                         | 3,840                         | 3,840              |
| Accounts payable**                 | -                          | -                         | -                         | 2,708,130                     | 2,708,130          |
| Total financial liabilities        | <u>15,716,644</u>          | <u>4,228,476</u>          | <u>2,615,560</u>          | <u>2,882,567</u>              | <u>25,443,247</u>  |
| Total interest sensitivity gap**** | <u>(13,079,632)</u>        | <u>( 3,062,376)</u>       | <u>16,388,447</u>         | <u>1,406,877</u>              | <u>1,653,325</u>   |
| Cumulative gap                     | <u>(13,079,623)</u>        | <u>(16,141,999)</u>       | <u>246,448</u>            | <u>1,653,325</u>              | <u>-</u>           |
| <b>Company</b>                     |                            |                           |                           |                               |                    |
| <b>2025</b>                        |                            |                           |                           |                               |                    |
|                                    | <b>Within 3<br/>months</b> | <b>3 to 12<br/>months</b> | <b>Over 12<br/>months</b> | <b>Non-rate<br/>sensitive</b> | <b>Total</b>       |
|                                    | <b>\$'000</b>              | <b>\$'000</b>             | <b>\$'000</b>             | <b>\$'000</b>                 | <b>\$'000</b>      |
| <b>Financial assets</b>            |                            |                           |                           |                               |                    |
| Cash and cash equivalents          | 111,773                    | -                         | -                         | -                             | 111,773            |
| Investment securities***           | 551,324                    | -                         | 3,047,392                 | 587,951                       | 4,186,667          |
| Net investment in finance leases   | -                          | -                         | 5,456                     | -                             | 5,456              |
| Resale agreement***                | 13                         | -                         | -                         | -                             | 13                 |
| Loans receivable***                | 1,422,566                  | 429,479                   | 1,770,351                 | -                             | 3,622,396          |
| Accounts receivable*               | -                          | -                         | -                         | 15,085                        | 15,085             |
| Total financial assets             | <u>2,085,676</u>           | <u>429,479</u>            | <u>4,823,199</u>          | <u>603,036</u>                | <u>7,941,390</u>   |
| <b>Financial liabilities</b>       |                            |                           |                           |                               |                    |
| Borrowings                         | -                          | 3,952,608                 | 3,047,902                 | -                             | 7,000,510          |
| Repurchase agreements***           | 1,722,380                  | -                         | -                         | -                             | 1,722,380          |
| Accounts payable**                 | -                          | -                         | -                         | 143,554                       | 143,554            |
| Due to ultimate parent             | -                          | -                         | -                         | 24,829                        | 24,829             |
| Due to subsidiary company          | -                          | -                         | -                         | 182,165                       | 182,165            |
| Total financial liabilities        | <u>1,722,380</u>           | <u>3,952,608</u>          | <u>3,047,902</u>          | <u>350,548</u>                | <u>9,073,438</u>   |
| Total interest sensitivity gap**** | <u>363,296</u>             | <u>(3,523,129)</u>        | <u>1,775,297</u>          | <u>252,488</u>                | <u>(1,132,048)</u> |
| Cumulative gap                     | <u>363,296</u>             | <u>(3,159,833)</u>        | <u>(1,384,536)</u>        | <u>(1,132,048)</u>            | <u>-</u>           |

VM INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)  
Year ended December 31, 2025

28. Financial instruments-risk management (continued)

## (d) Market risk (continued)

## (ii) Interest rate risk (continued)

|                                    | <u>Company</u>     |                    |                    |                    |                    |
|------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
|                                    | <u>2024</u>        |                    |                    |                    |                    |
|                                    | <u>Within 3</u>    | <u>3 to 12</u>     | <u>Over 12</u>     | <u>Non-rate</u>    | <u>Total</u>       |
|                                    | <u>months</u>      | <u>months</u>      | <u>months</u>      | <u>sensitive</u>   | <u>Total</u>       |
|                                    | <u>\$'000</u>      | <u>\$'000</u>      | <u>\$'000</u>      | <u>\$'000</u>      | <u>\$'000</u>      |
| <b>Financial assets</b>            |                    |                    |                    |                    |                    |
| Cash and cash equivalents          | 114,452            | -                  | -                  | -                  | 114,452            |
| Investment securities***           | 48,852             | -                  | 1,183,373          | 1,086,174          | 2,318,398          |
| Net investment in finance leases   | 10,912             | 25,438             | 18,409             | -                  | 54,759             |
| Resale agreement***                | 439,098            | -                  | -                  | -                  | 439,098            |
| Loans receivable***                | 780,516            | 872,007            | 3,072,633          | -                  | 4,725,157          |
| Accounts receivable*               | -                  | -                  | -                  | 41,872             | 41,872             |
| Total financial assets             | <u>1,393,831</u>   | <u>897,445</u>     | <u>4,274,415</u>   | <u>1,128,046</u>   | <u>7,693,737</u>   |
| <b>Financial liabilities</b>       |                    |                    |                    |                    |                    |
| Borrowings                         | 5,606,170          | 511,158            | 2,363,883          | -                  | 8,481,211          |
| Repurchase agreements***           | 378,289            | -                  | -                  | -                  | 378,289            |
| Accounts payable**                 | -                  | -                  | -                  | 74,500             | 74,500             |
| Due to ultimate parent             | -                  | -                  | -                  | 1,044              | 1,044              |
| Due to subsidiary company          | -                  | -                  | -                  | 1,810              | 1,810              |
| Total financial liabilities        | <u>5,984,459</u>   | <u>511,158</u>     | <u>2,363,883</u>   | <u>77,354</u>      | <u>8,936,854</u>   |
| Total interest sensitivity gap**** | <u>(4,590,628)</u> | <u>( 386,287)</u>  | <u>1,910,532</u>   | <u>1,050,692</u>   | <u>(1,243,117)</u> |
| Cumulative gap                     | <u>(4,590,628)</u> | <u>(4,204,341)</u> | <u>(2,293,809)</u> | <u>(1,243,117)</u> | <u>-</u>           |

Accounts receivable excludes interest receivable and prepayments

Accounts payable excludes interest payable, withholding tax and GCT payable. These financial instruments include interest. The total gap relates to financial instruments recognised in the statement of financial position as there are no unrecognised financial instruments.

VM INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)  
Year ended December 31, 2025

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:

|                                  | <b>2025</b>                |                           |                           |                            |
|----------------------------------|----------------------------|---------------------------|---------------------------|----------------------------|
|                                  | <b>Group</b>               |                           |                           |                            |
|                                  | <b>Within<br/>3 months</b> | <b>3 to 12<br/>months</b> | <b>Over<br/>12 months</b> | <b>Overall<br/>average</b> |
|                                  | %                          | %                         | %                         | %                          |
| <b>Assets</b>                    |                            |                           |                           |                            |
| J\$ Cash and cash equivalents    | 2.54                       | -                         | -                         | 2.54                       |
| US\$ Cash and cash equivalents   | 0.23                       | -                         | -                         | 0.23                       |
| J\$ Resale agreements            | 5.76                       | -                         | -                         | 5.76                       |
| US\$ Resale agreements           | 4.81                       | 5.74                      | -                         | 5.28                       |
| J\$ Investment securities        | 10.95                      | 7.04                      | 9.80                      | 9.26                       |
| US\$ Investment securities       | -                          | 4.50                      | 7.63                      | 6.07                       |
| J\$ Margin loans                 | 13.75                      | 14.44                     | 14.79                     | 14.33                      |
| J\$ Corporate loans              | 10.80                      | 7.00                      | 12.61                     | 10.14                      |
| Net investment in finance leases | -                          | -                         | 7.00                      | 7.00                       |
| <b>Liabilities</b>               |                            |                           |                           |                            |
| Borrowings                       | -                          | 9.88                      | 10.05                     | -                          |
| J\$ Repurchase agreements        | 3.50                       | 1.84                      | -                         | 2.67                       |
| US\$ Repurchase agreements       | <u>3.12</u>                | <u>3.44</u>               | <u>-</u>                  | <u>3.28</u>                |
| <b>2024</b>                      |                            |                           |                           |                            |
| <b>Group</b>                     |                            |                           |                           |                            |
|                                  | <b>Within<br/>3 months</b> | <b>3 to 12<br/>months</b> | <b>Over<br/>12 months</b> | <b>Overall<br/>average</b> |
|                                  | %                          | %                         | %                         | %                          |
| <b>Assets</b>                    |                            |                           |                           |                            |
| J\$ Cash and cash equivalents    | 5.00                       | -                         | -                         | 5.00                       |
| US\$ Cash and cash equivalents   | 0.30                       | -                         | -                         | 0.30                       |
| J\$ Resale agreements            | 5.22                       | -                         | -                         | 5.22                       |
| US\$ Resale agreements           | 5.22                       | 3.45                      | -                         | 4.34                       |
| J\$ Investment securities        | 7.75                       | 8.28                      | 12.38                     | 9.47                       |
| US\$ Investment securities       | -                          | 8.55                      | 5.98                      | 7.27                       |
| J\$ Margin loans                 | 15.20                      | 14.45                     | 14.88                     | 14.84                      |
| J\$ Corporate loans              | 10.48                      | 9.75                      | 9.47                      | 9.90                       |
| Net investment in finance leases | -                          | 7.25                      | 7.00                      | 7.13                       |
| <b>Liabilities</b>               |                            |                           |                           |                            |
| Borrowings                       | 11.00                      | 11.50                     | 8.63                      | 10.41                      |
| J\$ Repurchase agreements        | 4.15                       | 4.85                      | -                         | 4.50                       |
| US\$ Repurchase agreements       | <u>0.76</u>                | <u>3.61</u>               | <u>3.49</u>               | <u>2.62</u>                |

VM INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)  
Year ended December 31, 2025

28. Financial instruments-risk management (continued)

## (d) Market risk (continued)

## (ii) Interest rate risk (continued)

Average effective yields by the earlier of contractual repricing and maturity dates are as follows (continued):

|                                  | <b>2025</b>   |  |  |   |
|----------------------------------|---|--|--|---|
|                                  | <b>Company</b>                                      |  |  |   |
|                                  | <b><u>Within</u></b><br><b><u>3 months</u></b><br>% | <b><u>3 to 12</u></b><br><b><u>months</u></b><br>% | <b><u>Over</u></b><br><b><u>12 months</u></b><br>% | <b><u>Overall</u></b><br><b><u>average</u></b><br>% |
| <b>Assets</b>                    |   |  |  |   |
| J\$ Cash and cash equivalents    | 0.08  | -  | -  | 0.08  |
| US\$ Cash and cash equivalents   | 0.16  | -  | -  | 0.16  |
| J\$ Resale agreements            | -   | -  | -  | -   |
| US\$ Resale agreements           | -   | -  | -  | -   |
| J\$ Investments securities       | 11.75   | -  | 10.75  | 11.25   |
| US\$ Investments securities      | -   | -  | 7.87   | 7.87  |
| J\$ Margin loans                 | 13.75   | 14.44  | 14.79  | 14.33   |
| J\$ Corporate loans              | 10.80   | 7.00   | 12.61  | 10.14   |
| Net investment in finance leases | -   | -  | 7.00   | 7.00  |
| <b>Liabilities</b>               |   |  |  |   |
| Borrowings                       | -   | 9.88   | 10.05  | 9.97  |
| J\$ Repurchase agreements        | 5.70  | -  | -  | 5.70  |
| US\$ Repurchase agreements       | <u>4.73</u>   | <u>-</u>   | <u>-</u>   | <u>4.73</u>   |
| <b>2024</b>                      |   |  |  |   |
| <b>Company</b>                   |   |  |  |   |
|                                  | <b><u>Within</u></b><br><b><u>3 months</u></b><br>% | <b><u>3 to 12</u></b><br><b><u>months</u></b><br>% | <b><u>Over</u></b><br><b><u>12 months</u></b><br>% | <b><u>Overall</u></b><br><b><u>average</u></b><br>% |
| <b>Assets</b>                    |   |  |  |   |
| J\$ Cash and cash equivalents    | -   | -  | -  | -   |
| US\$ Cash and cash equivalents   | -   | -  | -  | -   |
| J\$ Resale agreements            | 4.00  | -  | -  | 4.00  |
| US\$ Resale agreements           | -   | 3.40   | -  | 3.40  |
| J\$ Investments securities       | -   | -  | 12.38  | 12.38   |
| US\$ Investments securities      | -   | -  | 11.44  | 11.44   |
| J\$ Margin loans                 | 15.20   | 14.45  | 14.88  | 14.84   |
| J\$ Corporate loans              | 10.48   | 9.75   | 9.47   | 9.90  |
| Net investment in finance leases | -   | 7.25   | 7  | 7.13  |
| <b>Liabilities</b>               |   |  |  |   |
| Borrowings                       | 11.10   | 11.50  | 8.63   | 10.41   |
| J\$ Repurchase agreements        | 7   | -  | -  | 7   |
| US\$ Repurchase agreements       | <u>-</u>  | <u>-</u>   | <u>-</u>   | <u>-</u>  |

VM INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)  
Year ended December 31, 2025

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 2024.

|                     | <u>2025</u>                              |  | <u>2024</u>                 |  |
|---------------------|--|--|-----------------------------|--|
| J\$ interest rates  | Increase by 25/decrease by <u>50</u> bps |  | Increase/decrease by 50 bps |  |
| US\$ interest rates | Increase by 25/decrease by <u>50</u> bps |  | Increase/decrease by 50 bps |  |

| <u>2025</u>                           |                                |                                | <u>2024</u>                           |                                |                                |
|---------------------------------------|--------------------------------|--------------------------------|---------------------------------------|--------------------------------|--------------------------------|
| <b>Change in basis points JMD/USD</b> | <b>Effect on Profit \$'000</b> | <b>Effect on equity \$'000</b> | <b>Change in basis points JMD/USD</b> | <b>Effect on Profit \$'000</b> | <b>Effect on equity \$'000</b> |
| +25/+25                               | (19,299)                       | (756,957)                      | +25/+25                               | (10,853)                       | (288,536)                      |
| <u>-50/-50</u>                        | <u>41,000</u>                  | <u>348,410</u>                 | <u>-50/-50</u>                        | <u>21,707</u>                  | <u>130,899</u>                 |

## (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 \$950,492,000 (2024: \$1,060,858,000). An increase of 1.5% (2024: 6%) in share prices would result in an increase in profit of \$5,105,000 (2024: \$22,810,000) and an increase in other comprehensive income of \$9,180,000 (2024: \$40,800,000). A decrease of 1% (2024: 2%) in share prices would result in a decrease in profit of \$6,960,000 (2024: \$7,693,000) and a decrease in other comprehensive income of \$12,240,000 (2024: \$13,770,000).

## (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.

VM INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)  
Year ended December 31, 2025

28. Financial instruments-risk management (continued)

## (e) Capital management (continued)

The Financial Services Commission (“FSC”) stipulates and monitors capital requirements for the non-deposit-taking financial services sector. The FSC requires that the subsidiary company maintains a capital base of which at least 50% is to be of Tier 1 capital. In addition, the FSC employs certain ratios to test capital adequacy and solvency.

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

|                                    | <b>2025</b>       | <b>2024</b>       |
|------------------------------------|-------------------|-------------------|
|                                    | <b>\$’000</b>     | <b>\$’000</b>     |
| Tier 1 Capital                     | 3,881,118         | 4,227,276         |
| Tier 2 Capital                     | <u>67,800</u>     | <u>64,000</u>     |
| Total regulatory capital           | <u>3,948,918</u>  | <u>4,291,276</u>  |
| Risk-Weighted Assets:              |                   |                   |
| On statement of financial position | 23,157,262        | 18,027,935        |
| Foreign exchange exposure          | <u>2,407,633</u>  | <u>429,536</u>    |
|                                    | 25,564,895        | 18,457,471        |
| Operational risk-weighted assets   | <u>471,376</u>    | <u>458,133</u>    |
|                                    | <u>26,036,271</u> | <u>18,915,604</u> |

**Capital adequacy ratios:**

|   | <b>FSC Benchmark</b> | <b>2025</b>   | <b>2024</b>   |
|---|----------------------|---------------|---------------|
| Tier 1 Capital/total regulatory capital       | Greater than 50%     | <u>98.28%</u> | <u>98.51%</u> |
| Total regulatory capital/risk-weighted assets | Minimum 10%          | <u>15.17%</u> | <u>22.69%</u> |
| Actual capital base/total assets              | Greater than 6%      | <u>14.62%</u> | <u>19.63%</u> |

The capital position is sensitive to changes in market conditions. This sensitivity is due primarily to changes in the value of assets and liabilities resulting from changes in interest rates.

There was no change in the way the subsidiary company managed its capital during the financial year.

The Jamaica Stock Exchange (“JSE”) monitors the capital requirements of the subsidiary as a member dealer.

VM INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)  
Year ended December 31, 2025

28. Financial instruments-risk management (continued)

## (e) Capital management (continued)

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

|                                    |                      | <b>2025</b>       | <b>2024</b>       |
|------------------------------------|----------------------|-------------------|-------------------|
|                                    |                      | <b>\$'000</b>     | <b>\$'000</b>     |
| Net Free Capital                   |                      | 2,119,561         | 2,271,972         |
| Minimum Capital Requirements       |                      | ( 1,156,025)      | ( 879,292)        |
| Excess of Net Free Capital         |                      | <u>963,536</u>    | <u>1,392,680</u>  |
| Total liabilities                  |                      | <u>23,055,375</u> | <u>17,565,402</u> |
|                                    | <b>JSE Benchmark</b> | <b>2025</b>       | <b>2024</b>       |
| Net Free Capital/Total Liabilities | Greater than 5%      | <u>9.19%</u>      | <u>12.93%</u>     |

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.

VM INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)  
Year ended December 31, 2025

29. Financial instruments - fair values (continued)

## (a) Definition and measurement of fair values (continued)

**Fair value hierarchy:** The different levels in the hierarchy have been defined as follows (continued):

- Level 2: Inputs other than quoted prices included within certain Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.
- Level 3: Input that are unobservable. This category includes all instruments for which the valuation technique includes inputs that are not observable and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The techniques used to estimate fair values, together with the inputs used, are described below.

## (b) Valuation techniques for investment securities classified as Levels 2 and 3 as well as any significant unobservable inputs used.

The following table shows the valuation method for each unquoted investment security.

| Investment security           | Valuation approach | Fair value hierarchy level |
|-------------------------------|--------------------|----------------------------|
| Unquoted equities             | Income             | Level 3                    |
| Convertible preference shares | Income             | Level 3                    |
| Preference shares             | Income             | Level 2                    |
| Convertible corporate bonds   | Income             | Level 2                    |

## Market Approach:

Under the market-based method, the fair market value of a business reflects valuation multiples based on comparable public companies or the price at which comparable businesses are purchased under similar circumstances. Use of the market based method requires that comparable companies or transactions be available.

The primary limitation associated with the market-based method is the availability of comparable companies or transactions occurring as of a recent date upon which to establish fair market value.

VM INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)  
Year ended December 31, 2025

29. Financial instruments - fair values (continued)

- (b) Valuation techniques for investment securities classified as Levels 2 and 3 as well as any significant unobservable inputs used (continued)

## Income Approach:

The earnings/cash flow value of a going concern is based upon the yield to an investor, at the desired rate of return on investment, having regard to a number of factors such as the rate of return on alternate investments, the degree of risk involved and the liquidity of the investment. An earnings/cash flow based method suggests a continuation of the business operation and is based upon a hypothetical purchaser's desire to develop the future profits of the business.

The following table shows the valuation techniques used in measuring the fair value of investment securities.

| Type   | Valuation techniques  | Significant Unobservable input  | Range of estimates (weighted average) for unobservable input       | Fair value measurement sensitivity to unobservable inputs  |
|--|---|---|--|--|
| J\$ denominated securities issued or guaranteed by the Government of Jamaica and Bank of Jamaica.  | <ul style="list-style-type: none"> <li>Obtain bid yield from yield curve provided by a recognised pricing source (which uses market-supplied indicative bids);</li> <li>Using this yield, determine price using accepted formula; and</li> <li>Apply price to estimate fair value.</li> </ul> | <ul style="list-style-type: none"> <li>There are no significant unobservable inputs</li> </ul>    |  |  |
| US\$ denominated Government of Jamaica securities, Foreign government securities, public sector securities, deferred shares and corporate bonds. | <ul style="list-style-type: none"> <li>Obtain bid price provided by a recognised brokers/dealers, namely, Oppenheimer;</li> <li>Apply price to estimate fair value.</li> </ul>  | <ul style="list-style-type: none"> <li>There are no significant unobservable inputs</li> </ul>    |  |  |
| Units in unit trust funds  | <ul style="list-style-type: none"> <li>Obtain prices quoted by unit trust managers; and</li> <li>Apply price to estimate fair value.</li> </ul>   | <ul style="list-style-type: none"> <li>There are no significant unobservable inputs</li> </ul>    |  |  |
| Unquoted equities  | <ul style="list-style-type: none"> <li>Discounted cash flow</li> </ul>  | <ul style="list-style-type: none"> <li>Expected net cash flows derived from the entity</li> </ul> | <ul style="list-style-type: none"> <li>Investment based</li> </ul> | <ul style="list-style-type: none"> <li>A significant increase in the expected cash flows would result in a higher fair value.</li> </ul> |

VM INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)  
Year ended December 31, 2025

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)

The following table shows the valuation techniques used in measuring the fair value of investment securities (continued).

| Type  | Valuation techniques   | Significant Unobservable input   | Range of estimates (weighted average) for unobservable input  | Fair value measurement sensitivity to unobservable inputs   |
|---|--|--|---|---|
| Convertible preference shares<br><br>Call options | <ul style="list-style-type: none"> <li>Fair value determined by discounting the future expected cashflows using the after-tax cost of debt of 9.85% (2024: 10.36%)</li> <li>Applying the Black Scholes merton formula</li> </ul> | <ul style="list-style-type: none"> <li>Risk-adjusted discount rate</li> <li>Expected net cash flows derived from the entity</li> </ul> | <ul style="list-style-type: none"> <li>Spread of 5.83% (2024: 7.85%) above risk-free interest rate</li> <li>Investment based</li> </ul> | <ul style="list-style-type: none"> <li>A significant increase in the spread above the risk-free rate would result in a lower fair value.</li> <li>A significant increase in the expected cash flows would result in a higher fair value.</li> </ul> |
| Preference shares                                 | <ul style="list-style-type: none"> <li>Obtain bid price provided by a recognised brokers/dealers, namely, Oppenheimer;</li> <li>Apply price to estimate fair value.</li> </ul>   | There are no significant unobservable inputs   |   |   |
| Convertible corporate bonds – call option         | <ul style="list-style-type: none"> <li>Applying the Black Scholes merton formula</li> </ul>  | <ul style="list-style-type: none"> <li>There are no significant unobservable inputs</li> </ul>   |   |   |

***Level 3 fair values***

In respect of Level 3 instruments, the group recognised in the profit or loss, total gains of \$271,891,000 relating to call options (2024: 369,634,000) and \$14,216,000 as a result of the effects of fair value and foreign exchange rate movements (2024: \$5,546,000).

VM INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)  
Year ended December 31, 2025

29. Financial instruments - fair values (continued)

- (b) Valuation techniques for investment securities classified as Levels 2 and 3 as well as any significant unobservable inputs used (continued)

***Level 3 fair values (continued)***

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

|  | <b>Group</b>                                |  |                              |               |
|--|---|--|------------------------------|---------------|
|  | <b>Redeemable<br/>preference<br/>shares</b> | <b>Convertible<br/>preference<br/>shares</b> | <b>Unquoted<br/>Equities</b> | <b>Total</b>  |
|  | <b>\$'000</b>                               | <b>\$'000</b>                                | <b>\$'000</b>                | <b>\$'000</b> |
| Balance at 31 December 2023                    | 416,140                                     | 747,104                                      | 77,280                       | 1,240,524     |
| Additions                                      | 211,426                                     | -  | -                            | 211,426       |
| Disposals                                      | (410,646)                                   | ( 320,893)                                   | -                            | ( 731,539)    |
| Recognition of call option                     | -   | 360,903                                      | -                            | 360,903       |
| Net change in fair value                       | -   | 8,731  | -                            | 8,731         |
| Effect of changes in foreign<br>exchange rates | -   | 5,506  | 40                           | 5,546         |
| Balance at 31 December 2024                    | 216,920                                     | 801,351                                      | 77,320                       | 1,095,591     |
| Additions                                      | -   | -  | 163,805                      | 163,805       |
| Disposals                                      | (216,920)                                   | -  | -                            | ( 216,920)    |
| Recognition of call option                     | -   | ( 19,619)                                    | -                            | ( 19,619)     |
| Net change in fair value                       | -   | 291,510                                      | 4,810                        | 296,320       |
| Effect of changes in foreign<br>exchange rates | -   | 14,216                                       | -                            | 14,216        |
| Balance at 31 December 2025                    | -   | 1,087,458                                    | 245,935                      | 1,333,393     |

|  | <b>Company</b>                              |  |                              |               |
|--|---|--|------------------------------|---------------|
|  | <b>Redeemable<br/>preference<br/>shares</b> | <b>Convertible<br/>preference<br/>shares</b> | <b>Unquoted<br/>Equities</b> | <b>Total</b>  |
|  | <b>\$'000</b>                               | <b>\$'000</b>                                | <b>\$'000</b>                | <b>\$'000</b> |
| Balance at 31 December 2023                    | 416,140                                     | 747,104                                      | 77,280                       | 1,240,524     |
| Additions                                      | 211,427                                     | -  | -                            | 211,427       |
| Disposals                                      | (410,647)                                   | ( 320,893)                                   | -                            | ( 731,540)    |
| Recognition of call option                     | -   | 360,903                                      | -                            | 360,903       |
| Net change in fair value                       | -   | 8,731  | -                            | 8,731         |
| Effect of changes in foreign<br>exchange rates | -   | 5,506  | 40                           | 5,546         |
| Balance at 31 December 2024                    | 216,920                                     | 801,351                                      | 77,320                       | 1,095,591     |
| Additions                                      | -   | -  | 163,805                      | 163,805       |
| Disposals                                      | (216,920)                                   | -  | -                            | ( 216,920)    |
| Recognition of call option                     | -   | ( 19,619)                                    | -                            | ( 19,619)     |
| Net change in fair value                       | -   | 291,510                                      | 4,810                        | 296,320       |
| Effect of changes in foreign<br>exchange rates | -   | 14,216                                       | -                            | 14,216        |
| Balance at 31 December 2025                    | -   | 1,087,458                                    | 245,935                      | 1,333,393     |

VM INVESTMENTS LIMITEDNotes to the Financial Statements (Continued)  
Year ended December 31, 202529. 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.

|  | <b>Group</b>                      |                  |                   |                   |                   |                   |                  |                   |
|--|-----------------------------------|------------------|-------------------|-------------------|-------------------|-------------------|------------------|-------------------|
|  | <b>2025</b>                       |                  |                   |                   |                   |                   |                  |                   |
|  | <b>Carrying amount</b>            |                  |                   |                   | <b>Fair value</b> |                   |                  |                   |
|  | Fair value through profit or loss |                  |                   | Amortised cost    | Total             |                   |                  |                   |
|  | FVOCI                             | or loss          | cost              | Total             | Level 1           | Level 2           | Level 3          | Total             |
|  | \$'000                            | \$'000           | \$'000            | \$'000            | \$'000            | \$'000            | \$'000           | \$'000            |
| <b>Financial assets measured at fair value:</b>          |                                   |                  |                   |                   |                   |                   |                  |                   |
| Unquoted equities  | -                                 | 245,935          | -                 | 245,935           | -                 | -                 | 245,935          | 245,935           |
| Quoted equities  | 607,404                           | 343,088          | -                 | 950,492           | 342,991           | 607,501           | -                | 950,492           |
| Units in unit trust funds                                | -                                 | -                | -                 | -                 | -                 | -                 | -                | -                 |
| Redeemable preference shares                             | -                                 | -                | 64,000            | 64,000            | -                 | 64,000            | -                | 64,000            |
| Convertible preference shares                            | -                                 | 1,087,458        | -                 | 1,087,458         | -                 | -                 | 1,087,458        | 1,087,458         |
| Convertible corporate note                               | -                                 | 13,333           | -                 | 13,333            | -                 | -                 | 13,333           | 13,333            |
| Bank of Jamaica securities                               | 941,462                           | -                | -                 | 941,462           | 375,549           | 565,913           | -                | 941,462           |
| Government of Jamaica securities                         | 17,895,957                        | -                | -                 | 17,895,957        | 9,015,517         | 8,880,440         | -                | 17,895,957        |
| Foreign government securities                            | 878,855                           | -                | -                 | 878,855           | 878,855           | -                 | -                | 878,855           |
| Other public sector securities                           | 9,885                             | -                | -                 | 9,885             | -                 | 9,885             | -                | 9,885             |
| Corporate bonds  | <u>1,631,173</u>                  | <u>-</u>         | <u>1,024,998</u>  | <u>2,656,171</u>  | <u>1,455,613</u>  | <u>1,122,814</u>  | <u>-</u>         | <u>2,578,427</u>  |
|  | <u>21,964,736</u>                 | <u>1,689,814</u> | <u>1,088,998</u>  | <u>24,743,548</u> | <u>12,068,525</u> | <u>11,250,553</u> | <u>1,346,726</u> | <u>24,665,804</u> |
| <b>Financial assets not measured at fair value:</b>      |                                   |                  |                   |                   |                   |                   |                  |                   |
| Cash and cash resources                                  | -                                 | -                | 1,691,192         | 1,691,192         | -                 | 1,691,192         | -                | 1,691,192         |
| Resale agreements  | -                                 | -                | 681,291           | 681,291           | -                 | 681,291           | -                | 681,291           |
| Net investment in finance leases                         | -                                 | -                | 5,456             | 5,456             | -                 | 5,456             | -                | 5,456             |
| Loans receivable   | -                                 | -                | 3,201,401         | 3,201,401         | -                 | 3,201,401         | -                | 3,201,401         |
| Accounts receivable excluding prepaid expense            | <u>-</u>                          | <u>-</u>         | <u>-</u>          | <u>-</u>          | <u>-</u>          | <u>-</u>          | <u>-</u>         | <u>-</u>          |
|  | <u>-</u>                          | <u>-</u>         | <u>5,579,340</u>  | <u>5,579,340</u>  | <u>-</u>          | <u>5,579,340</u>  | <u>-</u>         | <u>5,579,340</u>  |
| <b>Financial liabilities not measured at fair value:</b> |                                   |                  |                   |                   |                   |                   |                  |                   |
| Due to ultimate parent company                           | -                                 | -                | 8,366             | 8,366             | -                 | 8,366             | -                | 8,366             |
| Borrowings   | -                                 | -                | 7,000,510         | 7,000,510         | -                 | 7,000,510         | -                | 7,000,510         |
| Lease liabilities  | -                                 | -                | 28,492            | 28,492            | -                 | 28,492            | -                | 28,492            |
| Repurchase agreements                                    | -                                 | -                | 20,770,682        | 20,770,682        | -                 | 20,770,682        | -                | 20,770,682        |
| Accounts payable-other                                   | <u>-</u>                          | <u>-</u>         | <u>2,104,216</u>  | <u>2,104,216</u>  | <u>-</u>          | <u>2,104,216</u>  | <u>-</u>         | <u>2,104,216</u>  |
|  | <u>-</u>                          | <u>-</u>         | <u>29,912,266</u> | <u>29,912,266</u> | <u>-</u>          | <u>29,912,266</u> | <u>-</u>         | <u>29,912,266</u> |

VM INVESTMENTS LIMITEDNotes to the Financial Statements (Continued)  
Year ended December 31, 202529. 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 (continued).

|  | <b>Group</b>                    |                   |                   |                   |                   |                  |                   |
|--|---------------------------------|-------------------|-------------------|-------------------|-------------------|------------------|-------------------|
|  | <b>2024</b>                     |                   |                   |                   |                   |                  |                   |
|  | <b>Carrying amount</b>          |                   |                   | <b>Fair value</b> |                   |                  |                   |
|  | Fair value<br>through<br>profit | Amortised<br>cost | Total             | Level 1           | Level 2           | Level 3          | Total             |
|  | FVOCI                           | or loss           | Total             | Level 1           | Level 2           | Level 3          | Total             |
|  | \$'000                          | \$'000            | \$'000            | \$'000            | \$'000            | \$'000           | \$'000            |
| <b>Financial assets measured at fair value:</b>          |                                 |                   |                   |                   |                   |                  |                   |
| Unquoted equities  | -                               | 77,320            | 77,320            | -                 | -                 | 77,320           | 77,320            |
| Quoted equities  | 678,300                         | 382,557           | 1,060,857         | 1,060,857         | -                 | -                | 1,060,857         |
| Units in unit trust funds                                | -                               | 595,455           | 595,455           | -                 | 595,455           | -                | 595,455           |
| Redeemable preference shares                             | -                               | 216,920           | 581,920           | -                 | 365,000           | 216,920          | 581,920           |
| Convertible preference shares                            | -                               | 801,351           | 801,351           | -                 | -                 | 801,351          | 801,351           |
| Convertible corporate note                               | -                               | 14,153            | 14,153            | -                 | 14,153            | -                | 14,153            |
| Bank of Jamaica securities                               | 824,068                         | -                 | 824,068           | -                 | 824,068           | -                | 824,068           |
| Government of Jamaica securities                         | 12,148,602                      | -                 | 12,148,602        | 4,264,788         | 7,883,814         | -                | 12,148,602        |
| Foreign government securities                            | 902,341                         | -                 | 902,341           | 677,813           | 224,528           | -                | 902,341           |
| Other public sector securities                           | 16,130                          | -                 | 16,130            | -                 | 16,130            | -                | 16,130            |
| Corporate bonds  | 1,911,561                       | -                 | 1,911,561         | -                 | 1,911,561         | -                | 1,911,561         |
|  | <u>16,481,002</u>               | <u>2,087,756</u>  | <u>19,486,985</u> | <u>6,003,458</u>  | <u>12,387,936</u> | <u>1,095,591</u> | <u>19,486,985</u> |
| <b>Financial assets not measured at fair value:</b>      |                                 |                   |                   |                   |                   |                  |                   |
| Cash and cash resources                                  | -                               | -                 | 1,469,290         | -                 | 1,469,290         | -                | 1,469,290         |
| Resale agreements  | -                               | -                 | 861,775           | -                 | 861,775           | -                | 861,775           |
| Redeemable preference shares                             | -                               | -                 | 365,000           | -                 | 365,000           | -                | 365,000           |
| Corporate bonds  | -                               | -                 | 553,227           | -                 | 2,464,788         | -                | 2,464,788         |
| Net investment in finance leases                         | -                               | -                 | 54,759            | -                 | 54,759            | -                | 54,759            |
| Loans receivable   | -                               | -                 | 4,102,234         | -                 | 4,102,234         | -                | 4,102,234         |
| Accounts receivable<br>excluding prepaid expense         | -                               | -                 | 559,943           | -                 | 559,943           | -                | 559,943           |
|  | <u>-</u>                        | <u>-</u>          | <u>7,966,228</u>  | <u>-</u>          | <u>7,966,228</u>  | <u>-</u>         | <u>7,966,228</u>  |
| <b>Financial liabilities not measured at fair value:</b> |                                 |                   |                   |                   |                   |                  |                   |
| Due to ultimate parent company                           | -                               | -                 | 3,840             | -                 | 3,840             | -                | 3,840             |
| Borrowings   | -                               | -                 | 8,468,822         | -                 | 8,468,822         | -                | 8,468,822         |
| Lease liabilities  | -                               | -                 | 42,385            | -                 | 42,385            | -                | 42,385            |
| Repurchase agreements                                    | -                               | -                 | 13,933,279        | -                 | 13,933,279        | -                | 13,933,279        |
| Accounts payable-other                                   | -                               | -                 | 2,905,940         | -                 | 2,905,940         | -                | 2,905,940         |
|  | <u>-</u>                        | <u>-</u>          | <u>25,354,266</u> | <u>-</u>          | <u>25,354,266</u> | <u>-</u>         | <u>25,354,266</u> |

VM INVESTMENTS LIMITEDNotes to the Financial Statements (Continued)  
Year ended December 31, 202529. Financial instruments - fair values (continued)

## (c) Accounting classifications and fair values (continued):

The following table shows the carrying amounts and fair values of financial assets and liabilities, including their levels in the fair value hierarchy (continued).

|  | <b>Company</b>                                       |                   |                  |                   |                   |                   |                  |                  |
|--|--|-------------------|------------------|-------------------|-------------------|-------------------|------------------|------------------|
|  | <b>2025</b>  |                   |                  |                   |                   |                   |                  |                  |
|  | <b>Carrying amount</b>                               |                   |                  |                   | <b>Fair value</b> |                   |                  |                  |
| <u>FVOCI</u>   | Fair value<br>through<br>profit<br>or loss<br>\$'000 | Amortised<br>Cost | Total<br>\$'000  | Level 1<br>\$'000 | Level 2<br>\$'000 | Level 3<br>\$'000 | Total<br>\$'000  |                  |
| <b>Financial assets measured at fair value:</b>          |  |                   |                  |                   |                   |                   |                  |                  |
| Unquoted equities  | -  | 245,935           | -                | 245,935           | -                 | -                 | 245,935          | 245,935          |
| Quoted equities  | -  | 342,017           | -                | 342,017           | -                 | 342,017           | -                | 342,017          |
| Corporate bonds  | -  | 13,333            | -                | 13,333            | -                 | -                 | 13,333           | 13,333           |
| Convertible preference shares                            | -  | 1,087,458         | -                | 1,087,458         | -                 | -                 | 1,087,458        | 1,087,458        |
| Government of Jamaica securities                         | <u>1,356,603</u>                                     | -                 | -                | <u>1,356,603</u>  | <u>1,356,603</u>  | -                 | -                | <u>1,356,603</u> |
|  | <u>1,356,603</u>                                     | <u>1,688,743</u>  | <u>-</u>         | <u>3,045,346</u>  | <u>1,356,603</u>  | <u>342,017</u>    | <u>1,346,726</u> | <u>3,045,346</u> |
| <b>Financial assets not measured at fair value:</b>      |  |                   |                  |                   |                   |                   |                  |                  |
| Cash and cash resources                                  | -  | -                 | 111,773          | 111,773           | -                 | 111,773           | -                | 111,773          |
| Net investment in finance leases                         | -  | -                 | 5,456            | 5,456             | -                 | 5,456             | -                | 5,456            |
| Loans receivable   | -  | -                 | 3,201,401        | 3,201,401         | -                 | 3,201,401         | -                | 3,201,401        |
| Corporate bonds  | -  | -                 | 1,024,998        | 1,024,998         | -                 | 1,024,998         | -                | 1,024,998        |
| Accounts receivable<br>excluding prepaid expense         | -  | -                 | 167,854          | 167,854           | -                 | 167,854           | -                | 167,854          |
|  | <u>-</u>   | <u>-</u>          | <u>4,511,482</u> | <u>4,511,482</u>  | <u>-</u>          | <u>4,511,482</u>  | <u>-</u>         | <u>4,511,482</u> |
| <b>Financial liabilities not measured at fair value:</b> |  |                   |                  |                   |                   |                   |                  |                  |
| Due to ultimate parent company                           | -  | -                 | 5,496            | 5,496             | -                 | 5,496             | -                | 5,496            |
| Due to subsidiary  | -  | -                 | 182,165          | 182,165           | -                 | 182,165           | -                | 182,165          |
| Borrowings   | -  | -                 | 7,000,510        | 7,000,510         | -                 | 7,000,510         | -                | 7,000,510        |
| Repurchase agreements                                    | -  | -                 | 1,719,087        | 1,719,087         | -                 | 1,719,087         | -                | 1,719,087        |
| Accounts payable-other                                   | -  | -                 | 215,033          | 215,033           | -                 | 215,033           | -                | 215,033          |
|  | <u>-</u>   | <u>-</u>          | <u>9,122,291</u> | <u>9,122,291</u>  | <u>-</u>          | <u>9,122,291</u>  | <u>-</u>         | <u>9,122,291</u> |

VM INVESTMENTS LIMITEDNotes to the Financial Statements (Continued)  
Year ended December 31, 202529. Financial instruments - fair values (continued)

## (c) Accounting classifications and fair values (continued):

The following table shows the carrying amounts and fair values of financial assets and liabilities, including their levels in the fair value hierarchy (continued).

|  | <u>Company</u>         |                  |                  |                   |                  |                  |                  |
|--|------------------------|------------------|------------------|-------------------|------------------|------------------|------------------|
|  | <u>2024</u>            |                  |                  |                   |                  |                  |                  |
|  | <u>Carrying amount</u> |                  |                  | <u>Fair value</u> |                  |                  |                  |
| Fair value through profit or loss                        | Amortised cost         | Total            | Level 1          | Level 2           | Level 3          | Total            |                  |
| \$'000   | \$'000                 | \$'000           | \$'000           | \$'000            | \$'000           | \$'000           |                  |
| <b>Financial assets measured at fair value:</b>          |                        |                  |                  |                   |                  |                  |                  |
| Unquoted equities  | 77,320                 | -                | 77,320           | -                 | -                | 77,320           | 77,320           |
| Quoted equities  | 381,789                | -                | 381,789          | -                 | 381,789          | -                | 381,789          |
| Units in unit trust funds                                | 224,786                | -                | 224,786          | -                 | 224,786          | -                | 224,786          |
| Corporate bonds  | 14,153                 | -                | 14,153           | -                 | 14,153           | -                | 14,153           |
| Redeemable preference shares                             | 216,920                | -                | 216,920          | -                 | -                | 216,920          | 216,920          |
| Convertible preference shares                            | <u>801,351</u>         | <u>-</u>         | <u>801,351</u>   | <u>-</u>          | <u>-</u>         | <u>801,351</u>   | <u>801,351</u>   |
|  | <u>1,716,319</u>       | <u>-</u>         | <u>1,716,319</u> | <u>-</u>          | <u>238,939</u>   | <u>1,095,591</u> | <u>1,716,319</u> |
| <b>Financial assets not measured at fair value:</b>      |                        |                  |                  |                   |                  |                  |                  |
| Resale agreements  | -                      | 438,982          | 438,982          | -                 | 438,982          | -                | 438,982          |
| Cash and cash resources                                  | -                      | 114,452          | 114,452          | -                 | 114,452          | -                | 114,452          |
| Net investment in finance leases                         | -                      | 54,759           | 54,759           | -                 | 54,759           | -                | 54,759           |
| Corporate bonds  | -                      | 553,227          | 553,227          | -                 | 553,227          | -                | 553,227          |
| Loans receivable   | -                      | 4,102,234        | 4,102,234        | -                 | 4,102,234        | -                | 4,102,234        |
| Accounts receivable excluding prepaid expense            | <u>-</u>               | <u>143,401</u>   | <u>143,401</u>   | <u>-</u>          | <u>143,401</u>   | <u>-</u>         | <u>143,401</u>   |
|  | <u>-</u>               | <u>5,407,055</u> | <u>5,407,055</u> | <u>-</u>          | <u>5,407,055</u> | <u>-</u>         | <u>5,407,055</u> |
| <b>Financial liabilities not measured at fair value:</b> |                        |                  |                  |                   |                  |                  |                  |
| Due to ultimate parent company                           | -                      | 1,044            | 1,044            | -                 | 1,044            | -                | 1,044            |
| Due to subsidiary  | -                      | 1,810            | 1,810            | -                 | 1,810            | -                | 1,810            |
| Borrowings   | -                      | 8,455,600        | 8,455,600        | -                 | 8,455,600        | -                | 8,455,600        |
| Repurchase agreements                                    | -                      | 378,000          | 378,000          | -                 | 378,000          | -                | 378,000          |
| Accounts payable-other                                   | <u>-</u>               | <u>158,667</u>   | <u>158,667</u>   | <u>-</u>          | <u>158,667</u>   | <u>-</u>         | <u>158,667</u>   |
|  | <u>-</u>               | <u>8,995,121</u> | <u>8,995,121</u> | <u>-</u>          | <u>8,995,121</u> | <u>-</u>         | <u>8,995,121</u> |

- During the year, the group experienced fair value gains (2024: gains) related to instruments that are measured at FVOCI amounting to \$133,027,000 (2024: \$31,197,000), net of expected credit losses and recycling gains of \$834,438,000 (2024: \$675,041,000) [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.
- The carrying amounts reflected in the financial statements for financial instruments such as cash and cash equivalents, accounts receivable, accounts payable, corporate bonds, lease liabilities, resale and repurchase agreements approximate their fair value due to their short term nature, or, where long term, due to no discounting anticipated on settlement.

VM INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)  
Year ended December 31, 2025

30. Contingent liabilities and capital commitment

The subsidiary company is subject to claims, disputes and legal proceedings, as part of the normal course of business. Provision is made for such matters when it is probable that a payment will be made by the subsidiary company, and the amount can be reasonably estimated.

Certain suits have been filed by customers against the subsidiary company for alleged breach of fiduciary duty, abetting of breach of fiduciary duty, breach implied contract and breach of contract related to investment services provided to plaintiff. At the date of authorising these financial statements for issue, no legal opinion was formed on the probable outcome of the cases as the disputes were in the early stages. As such, no provision was made in the financial statements for these claims.

As at December 31, 2025, the company made no capital contributions (2024: US\$1,121,567).

31. Dividends

- (a) On November 12, 2025, the Board of Directors of the subsidiary company declared dividends of \$55.149026 per non-redeemable non-cumulative preference share unit of the paid up capital stock of 1,550,000 (2024: 1,500,000) preference share units, paid on December 22, 2025 to its intermediate parent company and the group's parent company, VM Financial Group Limited. The amounts were paid as at the reporting period. On August 12, 2025, the Board of Directors of the subsidiary company declared dividends of \$66.666666667 per non-redeemable non-cumulative preference share unit of the paid up capital stock of 1,500,000 (2024: 1,500,000) preference share units, paid on September 30, 2025 to its intermediate parent company and the group's parent company, VM Financial Group Limited.
- (b) On June 28, 2024 and November 25, 2024, the Board of Directors declared dividends of 0.032 cents and 0.053 cents per ordinary stock unit respectively, of the paid up capital stock of 1,500,025,000 ordinary stock units, paid to the shareholders on record as at July 9, 2024 and December 5, 2024 respectively.
- (c) On December 31, 2024, the subsidiary's Board of Directors declared an interim dividend of \$38.2951 per non-redeemable non-cumulative preference share unit of the paid up capital stock of 1,500,000 ordinary stock units to its immediate parent company and the group's parent company, VM Financial Group Limited. The amounts were paid on January 28, 2025.

VM INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)  
Year ended December 31, 2025

32. 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.

## (ii) An entity is related to the group if any of the following conditions applies:

- (i) The entity and the group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of an entity of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the group or an entity related to the group.
- (vi) The entity is controlled, or jointly controlled, by a person identified in (a)(i) above.
- (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- (viii) The entity or any member of a group of which it is a part providing key management services to the group or to the parent of the group;

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

## (b) Identity of related parties

The group has a related party relationship with its ultimate parent company, immediate parent company, fellow subsidiaries, entities over which it has significant influence, associate of ultimate parent company, key management personnel, including directors and the pension plan.

VM INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)  
Year ended December 31, 2025

32. Related party transactions and balances (continued)

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

|  | <u>Group</u>          |                       | <u>Company</u>        |                       |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
|  | <u>2025</u><br>\$'000 | <u>2024</u><br>\$'000 | <u>2025</u><br>\$'000 | <u>2024</u><br>\$'000 |
| Cash and cash equivalents:                       |                       |                       |                       |                       |
| Fellow subsidiary                                | <u>96,787</u>         | <u>138,956</u>        | <u>26,505</u>         | <u>15,937</u>         |
| Resale agreements:                               |                       |                       |                       |                       |
| Fellow subsidiary                                | -                     | -                     | -                     | 438,982               |
| Repurchase agreements:                           |                       |                       |                       |                       |
| Subsidiary                                       | -                     | -                     | 1,719,087             | 378,000               |
| Fellow subsidiaries                              | 2,164,326             | 1,249,069             | -                     | -                     |
| Directors  | 6,438                 | 20,479                | -                     | -                     |
| Key management personnel,<br>excluding directors | <u>80,452</u>         | <u>82,995</u>         | <u>-</u>              | <u>-</u>              |
| Investment securities:                           |                       |                       |                       |                       |
| Immediate parent company                         | 64,000                | 576,427               | -                     | 211,427               |
| Related party – VM Unit Trusts                   | <u>-</u>              | <u>595,455</u>        | <u>-</u>              | <u>224,786</u>        |
| Accounts receivable:                             |                       |                       |                       |                       |
| Immediate parent company                         | <u>40,410</u>         | <u>66,357</u>         | <u>40,366</u>         | <u>66,253</u>         |
| Subsidiary                                       | -                     | -                     | 13                    | 117                   |
| Fellow subsidiaries                              | 7,396                 | 1,548                 | 3,719                 | -                     |
| Related party – VM Wealth<br>Funds Ltd.          | <u>35,945</u>         | <u>29,089</u>         | <u>-</u>              | <u>-</u>              |
|  | <u>43,341</u>         | <u>30,637</u>         | <u>3,732</u>          | <u>117</u>            |
| Loans receivable:                                |                       |                       |                       |                       |
| Directors  | 122,151               | 151,563               | 122,151               | 151,563               |
| Immediate parent company                         | <u>762,600</u>        | <u>762,600</u>        | <u>762,600</u>        | <u>762,600</u>        |
| Due to ultimate parent company                   | <u>8,366</u>          | <u>3,840</u>          | <u>5,496</u>          | <u>1,044</u>          |
| Due to immediate parent company                  | <u>147,426</u>        | <u>128,212</u>        | <u>19,333</u>         | <u>-</u>              |
| Due to subsidiary company                        | <u>-</u>              | <u>-</u>              | <u>182,165</u>        | <u>1,810</u>          |
| Borrowings:                                      |                       |                       |                       |                       |
| Directors  | <u>237,397</u>        | <u>11,000</u>         | <u>242,397</u>        | <u>11,000</u>         |
| Accounts payable – other:                        |                       |                       |                       |                       |
| Subsidiary                                       | -                     | -                     | 3,293                 | 289                   |
| Fellow subsidiaries                              | 56,628                | 94,574                | 1,304                 | 1,465                 |
| Related parties by significant<br>influence      | -                     | 4,323                 | -                     | -                     |
| Directors  | -                     | 29,374                | -                     | -                     |
| Key management personnel,<br>excluding directors | <u>-</u>              | <u>1,589</u>          | <u>-</u>              | <u>-</u>              |

VM INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)  
Year ended December 31, 2025

32. Related party transactions and balances (continued)

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

(i) Cash and cash equivalents, resale agreements, repurchase agreements and investment securities transactions with related parties have been conducted in the ordinary course of the business at contracted rates.

Range of interest rates charged on transactions are disclosed below:

|                                    | <u>Group</u>          |                        |
|------------------------------------|-----------------------|------------------------|
|                                    | <u>2025</u>           | <u>2024</u>            |
|                                    | <u>\$'000</u>         | <u>\$'000</u>          |
| Cash and cash equivalents          | 0.01-0.08% per annum  | 0.01-0.08% per annum   |
| Resale agreements                  | 3.15-6.25% per annum  | 5.00-5.35% per annum   |
| Repurchase agreements              | 1.15-7.00% per annum  | 3.00-4.25% per annum   |
| Investment securities <sup>1</sup> | 3.15-11.88% per annum | 10.00-12.50% per annum |
| Due from related party             | 5.13% per annum       | 6.28% per annum        |
|                                    | <u>Company</u>        |                        |
|                                    | <u>2025</u>           | <u>2024</u>            |
|                                    | <u>\$'000</u>         | <u>\$'000</u>          |
| Cash and cash equivalents          | 0.01-0.08% per annum  | 0.01-0.08% per annum   |
| Resale agreements                  | 3.15-6.25% per annum  | 5.00-5.35% per annum   |
| Repurchase agreements              | 1.15-7.00% per annum  | 5.00-5.35% per annum   |
| Investment securities <sup>1</sup> | 3.15-11.88% per annum | 10.00-12.50% per annum |

Included in investments are the following quoted preference shares held in the immediate parent company:

- (a) 3,000,000 10% "Class A" Redeemable Cumulative Preference Shares with a carrying value of \$300 million. Dividends are paid quarterly at 10% per annum up to redemption date, being March 31, 2026. The immediate parent company has the option to redeem 365 days after the issue date up to the date of redemption. These investments were redeemed early in May 2025.
- (b) 640,000 12.5% "Class C" Redeemable Cumulative Preference Shares with a carrying value of 64,000,000. Dividends are fixed at 12.50% for 24 months to March 2025. Thereafter, dividend will vary at 300 basis points above the GOJ Weighted Average 3-month Treasury Bill rate in June, September, December, and March until maturity. The shares are redeemable on March 31, 2028. The immediate parent company also has the option to redeem 365 days after the issue date up to the date of redemption.

VM INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)  
Year ended December 31, 2025

32. Related party transactions and balances (continued)

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

## (i) (Continued)

Rights of the preference shareholder include:

- Cumulative preferential dividend at the dividend yield;
- Priority of payment to receive all dividends over any form of capital distributions (e.g. dividends or share buybacks) to common equity holders;
- Full voting rights on winding up only or in the case of certain dividend non-payments; and
- Ranking in priority to common equity in the event of a winding up.

Other balances due to or from related parties are unsecured, interest free, and are expected to be settled within the next 12 months. Impairment loss reversed on related party balances during the reporting period was \$Nil (2024: a reversal of \$Nil).

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

|   | <u>Group</u>          |                       | <u>Company</u>        |                       |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
|   | <u>2025</u><br>\$'000 | <u>2024</u><br>\$'000 | <u>2025</u><br>\$'000 | <u>2024</u><br>\$'000 |
| Interest and dividend income:                                   |                       |                       |                       |                       |
| Immediate parent company  | 103,288               | 105,941               | 86,772                | 72,353                |
| Subsidiary  | -                     | -                     | 6,088                 | 9,467                 |
| Fellow subsidiaries   | 18,126                | 14,083                | -                     | -                     |
| Directors   | <u>1,607</u>          | <u>15,977</u>         | <u>1,607</u>          | <u>15,977</u>         |
| Management fee income:  |                       |                       |                       |                       |
| Unit Trust Funds  | 447,385               | -                     | -                     | -                     |
| Related parties   | <u>22,115</u>         | <u>-</u>              | <u>-</u>              | <u>-</u>              |
| Fees and commission income:                                     |                       |                       |                       |                       |
| Related party – VM Wealth<br>Funds Ltd.(iv)                     | <u>5,654</u>          | <u>19,379</u>         | <u>-</u>              | <u>-</u>              |
| Gain on disposal of interest in<br>associated company-Carilend: |                       |                       |                       |                       |
| Immediate parent company (i)                                    | <u>-</u>              | <u>422,265</u>        | <u>-</u>              | <u>422,265</u>        |

VM INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)  
Year ended December 31, 2025

32. Related party transactions and balances (continued)

- (d) The income statement includes balances, arising in the ordinary course of business, with related parties, as follows (continued):

|   | <u>Group</u>                 |                              | <u>Company</u>               |                              |
|---|------------------------------|------------------------------|------------------------------|------------------------------|
|   | <u>2025</u><br><u>\$'000</u> | <u>2024</u><br><u>\$'000</u> | <u>2025</u><br><u>\$'000</u> | <u>2024</u><br><u>\$'000</u> |
| Operating expenses:   |                              |                              |                              |                              |
| <i>Management fees (included in note 26):</i>                     |                              |                              |                              |                              |
| Ultimate parent company   | 98,694                       | 133,133                      | -                            | -                            |
| Immediate parent company  | 44,895                       | 32,744                       | 28,763                       | 3,750                        |
| Subsidiary (ii)   | <u>-</u>                     | <u>-</u>                     | <u>7,273</u>                 | <u>71,935</u>                |
| <i>Payroll related recharges (iii) (included in note 25)</i>      | <u>-</u>                     | <u>165,877</u>               | <u>-</u>                     | <u>75,685</u>                |
| Immediate parent company  | 225,342                      | 211,080                      | -                            | -                            |
| <i>Maintenance and other expenses (iii) (included in note 26)</i> |                              |                              |                              |                              |
| Fellow subsidiary   | <u>4,561</u>                 | <u>4,449</u>                 | <u>-</u>                     | <u>1,149</u>                 |
| Interest expense:   |                              |                              |                              |                              |
| Subsidiary  |                              | -                            | 67,614                       | 35,389                       |
| Fellow subsidiaries   | 102,771                      | 57,532                       | -                            | -                            |
| Directors   | 149                          | 2,483                        | -                            | 1,254                        |
| Key management personnel, excluding directors                     | <u>25,522</u>                | <u>2,818</u>                 | <u>24,009</u>                | <u>-</u>                     |
| Directors' fees (note 26)   | <u>29,594</u>                | <u>25,251</u>                | <u>16,949</u>                | <u>14,235</u>                |
| Short-term employee benefits:                                     |                              |                              |                              |                              |
| Key management personnel, excluding directors                     | <u>221,950</u>               | <u>126,953</u>               | <u>-</u>                     | <u>-</u>                     |

- (i) Effective March 28, 2024, the group sold the 300 "Class C" Common Shares and 2,175 "Class C" Cumulative Convertible Redeemable Preference shares held in Carilend to its immediate parent company for a consideration of US\$2,745,000 and US\$2,175,000, respectively to aggregate US\$4,920,000 or J\$762,600,000. The gain on sale of the disposal of these shares was \$422,265,000.

On the same date, the immediate parent company entered into a secured promissory note arrangement to borrow J\$762,600,000 from the company to assist in purchasing 750,000 Class C ordinary shares and 2,175,000 "Class C" Cumulative Convertible Redeemable Preference shares held in Carilend. The term of the arrangement is twenty-four (24) months.

Interest on the facility is payable quarterly at a fixed rate basis of 10.50% per annum.

VM INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)  
Year ended December 31, 2025

32. Related party transactions and balances (continued)

(d) The income statement includes balances arising in the ordinary course of business, with related parties, as follows (continued):

(ii) The parent company has no employees. The parent company's activities are administered by staff employed to the subsidiary company. The price that is charged to administer the affairs of the parent company is represented by the management fees charged by the subsidiary company.

Management fee expense is based on 20% of the parent company's profit before tax excluding management fees and dividend income.

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

(v) Portfolio management fee income from a related party, VM Wealth Funds Limited is based on 1.00 – 1.50% per annum of the total assets of the funds.

33. 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 \$165,975,000 (2024: \$555,722,000), by a weighted average number of ordinary shares held during the year.

|  | <u>2025</u>          | <u>2024</u>          |
|--|----------------------|----------------------|
| Number of ordinary shares at December 31 | <u>1,500,025,000</u> | <u>1,500,025,000</u> |
| Basic earnings per share (cents)         | <u>11¢</u>           | <u>37¢</u>           |

(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 \$165,975,000 (2024: \$555,722,000), by a weighted average number of ordinary shares held during the year, after adjustments for the effects of all dilutive potential ordinary shares.

|   | <u>2025</u>   | <u>2024</u>       |
|---|---------------|-------------------|
| Number of ordinary shares at December 31                                  | 1,500,025,000 | 1,500,025,000     |
| Effect of potential redemption of convertible preference shares           | <u>-</u>      | <u>50,000,000</u> |
| Weighted average number of ordinary shares held during the year (diluted) | 1,500,025,000 | 1,550,025,000     |
| Diluted earnings per share (cents)  | <u>11¢</u>    | <u>36¢</u>        |

VM INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)  
Year ended December 31, 2025

34. Subsequent event

On 28 February 2026, a war began when the United States and Israel launched surprise airstrikes on multiple sites and cities across Iran.

Management has performed its initial assessment of the impact of the war in the Middle East and have concluded that there is no material impact on the financial statement of the VM Investments Limited Group and its subsidiary at audit report date. Escalation of the situation is being closely monitored, as it may result in significant implications for global financial markets, energy prices, supply chains, and regional operations. The Group will continue to evaluate the developments through the Asset and Liability Committee (ALCO), and where applicable, adjust our enterprise risk management framework for any emerging credit, market, and liquidity risks.