



# FUTURE READY

**STRENGTHENING  
FOUNDATIONS  
FOR SUSTAINABLE  
GROWTH**



▶ **This year reflects deliberate preparation for what lies ahead.**

Under the theme **Future Ready: Strengthening Foundations for Sustainable Growth**, the focus remained clear: build with intent, act with discipline, and position the business to respond with confidence in a changing environment.

- ▶ Systems were refined to improve efficiency and support scale
- ▶ Risk management remained proactive and tightly controlled
- ▶ Governance frameworks were reinforced to guide sound decision-making
- ▶ Strategic investments were made to expand reach while protecting stability

**Growth was not pursued at the expense of structure.**

**It was built on it.**

Each decision, each improvement, and each investment contributed to a more resilient organisation—one capable of adapting while staying anchored in its core principles. The emphasis remained on strengthening the fundamentals today to unlock opportunity tomorrow.

This approach has resulted in a business that is not only performing in the present but is also prepared for the demands of the future.

Being future ready is not a single milestone. It is a continuous commitment to evolve, to strengthen, and to lead with clarity and purpose.



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FOR SUSTAINABLE  
GROWTH**



**SCAN HERE**  
Award-Winning Performance  
Watch our award-winning  
VM Wealth Campaign

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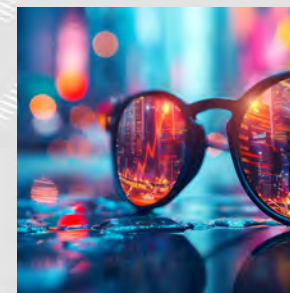


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CEO's Report



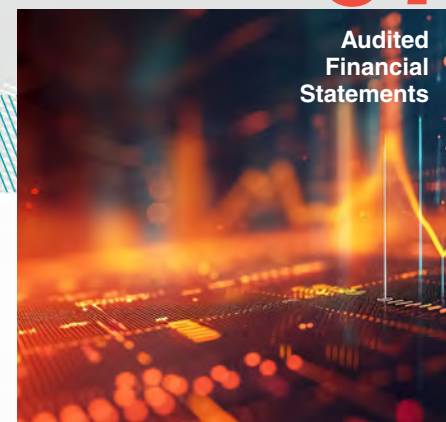
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## Our Purpose

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

## VM Group Vision

A Leading Caribbean-based, Member-focused organisation transforming lives by advancing the financial well-being of individuals globally.

## VM Group Mission

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

# FUTURE READY

STRENGTHENING  
FOUNDATIONS  
FOR SUSTAINABLE  
GROWTH



## VM Investments Limited (VMIL) Vision

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

## VMIL Mission

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

## Core Values



Member Focus



Integrity



Teamwork



Innovation



Excellence

# FUTURE READY

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FOUNDATIONS  
FOR SUSTAINABLE  
GROWTH

# Notice of Annual General Meeting

**NOTICE IS HEREBY GIVEN that the Annual General Meeting of VM INVESTMENTS LIMITED (the “Company”) will be held at Training Room, VM Group Corporate Office, 73-75 Half Way Tree Road, Kingston 10, in the parish of Saint Andrew on Thursday, June 4, 2026 at 3:00 p.m. to consider, and if thought fit, pass the following resolutions:**

## 1. Resolution No.1 – Audited Accounts

“THAT the Audited Accounts of the Company for the year ended December 31, 2025 and the Reports of the Directors and Auditors, circulated with the Notice convening the Meeting, be and are adopted.”

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

### 2A) Retirement by Rotation Pursuant to Article 108

“THAT Director **Mr. Vikram Dhiman** retiring by rotation pursuant to Article 108, of the Articles of Incorporation, who being eligible for re-election, is hereby elected.”

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

“THAT Director **Mr. Milton Samuda** retiring by rotation pursuant to Article 108, of the Articles of Incorporation, who being eligible for re-election, is hereby elected.”

### 2B) Retirement Pursuant to Article 106:

“THAT Director **Mr. Dennis Cohen**, having been appointed effective October 1, 2025 as an addition to the Board since the date of the last Annual General Meeting, and retiring pursuant to the Article 106 of the Articles of Incorporation, being eligible for re-election, be and is hereby re-elected.”

## 3. Resolution No. 3 – Directors’ Remuneration

“THAT the amount of **\$29,594,000.00** included in the Audited Consolidated Accounts of the Company for the year ended December 31, 2025 as remuneration for their services as Directors be and is hereby approved.”

## 4. Resolution No. 4 – Appointment of Auditors

“THAT PricewaterhouseCoopers (PwC) be and are hereby appointed the Auditors of the Company to hold office until the next Annual General Meeting, at a remuneration to be fixed by the Directors.”

DATED this 17th day of April 2026.

### BY ORDER OF THE BOARD



**Keri-Gaye Brown**  
Corporate Secretary

REGISTERED OFFICE  
6-10 Duke Street  
Kingston

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

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

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

# Directors' Report

VM Investments Limited (the Company)

1. The Directors submit herewith the Consolidated Statements of Revenues and Expenses, Comprehensive Income and Financial Position for the year ended December 31, 2025.

2. The Consolidated Statement of Revenue and Expenses reports pre-tax profit for the year of **\$38,634,000.00** to which tax credit of **\$127,341,000.00** has been added, resulting in an after-tax profit of **\$165,975,000.00**.

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

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

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

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

**B) Retirement Pursuant to Article 106:**

"**THAT** Director **Mr. Dennis Cohen**, having been appointed effective October 1, 2025 as an addition to the Board since the date of the last Annual General Meeting, and retiring pursuant to the Article 106 of the Articles of Incorporation, being eligible for re-election, be and is hereby re-elected."

**C) Passing of Director Phillip G. Silvera, FCCA, FCA**

The Board acknowledges with deep sadness the passing of Mr. Phillip G. Silvera on August 21, 2025. He was a pillar of the VM Group family whose life was defined by service, excellence and unwavering commitment. The Board gives thanks for his life and legacy – a true VM stalwart and a man of principle whose impact will endure.

4. KPMG will be retiring as Auditors of the Company at the Annual General Meeting, being the end of their current term.

The Board wishes to express its sincere appreciation to KPMG for the past services provided as Auditors of the Company.

5. It is proposed by the Board:

" **THAT** PricewaterhouseCoopers (PwC) be appointed as the Auditors of the Company at the Annual General Meeting and that the Directors be authorized to fix their remuneration."

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

ON BEHALF OF THE BOARD



**Mr. Michael McMorris**  
Chairman



## Our Business



**“A disciplined approach to capital, risk, and governance continues to position VMIL for sustainable growth.”**

# Corporate Profile

## VM Investments Limited

VM Investments Limited (VMIL) is a publicly listed investment and financing company, trading on the Jamaica Stock Exchange (JSE) since December 2017. Domiciled in Jamaica, VMIL is a subsidiary of VM Financial Group Limited, which holds an 80% stake in the Company, with the remaining 20% publicly held.

Incorporated in 1984, VMIL has steadily built a reputation for innovative and inclusive investment and financing solutions, transforming lives through corporate solutions across margin loans, lease and trade financing, and private equity investments. Strong governance remains at the core of our operations. In 2025, VMIL's JSE Corporate Governance Index score improved to 89.88% which is an A rating reflecting meaningful enhancements to disclosures and controls and positioning the company just shy of the AA rating band (which begins at 90%).

In 2025, VMIL maintained its investment-grade Issuer Corporate credit ratings, reaffirmed by Caribbean Information and Credit Rating Services Limited (CariCRIS) with a stable outlook. This reflects the Company's disciplined capital management, prudent risk practices, and the strength of its governance and strategic execution. The stable outlook signals continued confidence in VMIL's ability to deliver consistent performance, supported by strong group backing and a resilient operating model, positioning the Company to navigate evolving market conditions while sustaining long-term value for stakeholders.

VMIL is the parent of VM Wealth Management Limited (VMWM). Over the years, VMIL has acquired significant holdings in Kingston Properties Limited (KPREIT), Home Choice Limited, Island Car Rentals, Stationery World and



Book Centre Limited, and Coldbush Organics. VMIL committed US\$10 million to the Jamaica Actus Small and Medium Enterprise (SME) Fund 1 (JASMEF 1), prioritizing private equity support for SMEs, alongside preferred roles for VMWM in future capital markets transactions. As a member of the VM Group, VMIL is guided by the Group's Vision, Mission, Strategic Goals, Core Values, and Cultural Beliefs.

## VM Wealth Management Limited

VMWM is an investment brokerage house licensed by the Financial Services Commission (FSC) and a Member Dealer of the Jamaica Stock Exchange (JSE), offering wealth management, securities trading & sales, and investment advisory and corporate solutions.

In 2025, VMWM sustained strong market presence and client trust, as evidenced by its recognition as second runner-up in the Member Dealer Website category at the Jamaica Stock Exchange (JSE) Best Practices Awards. The company's equity trading performance also remained among the best in the industry, ranking second by volume on the JSE Main Market as at December 31, 2025.

## VM Wealth Barbados

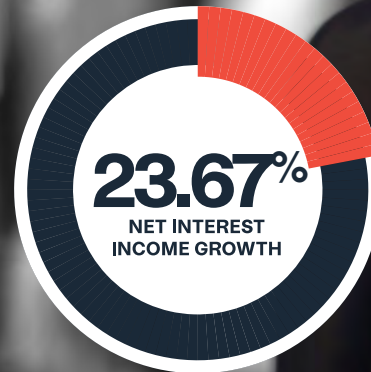
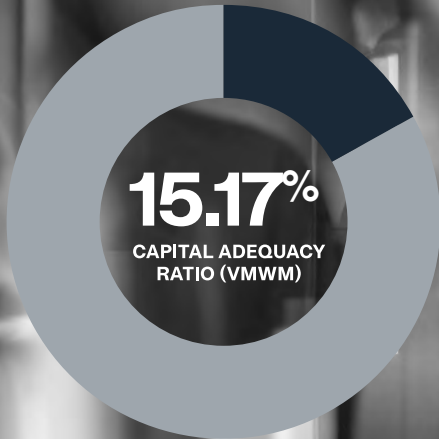
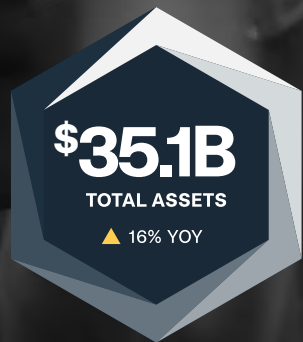
VMWM completed the acquisition of Republic Funds (Barbados) Inc. on January 18, 2024, subsequently rebranding the entity as VM Wealth Funds Limited. Following the acquisition, VMWM was granted a restricted mutual fund administrator licence in Barbados, enabling the formal operation of the business. In 2025, VMWM continued to optimise its online platform for clients in Barbados, advancing the integration of this business into its broader digital transformation programme.

# Corporate Structure



# 2025 At a Glance

A snapshot of VMIL's key performance indicators for the financial year ended December 31, 2025



# 2025 Business Highlights

## 2025 Key Achievements & Milestones

A landmark year of performance, recognition, innovation and expansion across all business units.

### AWARDS & RECOGNITION



**JSE BEST PRACTICES AWARD**  
2nd Runner-Up  
Member Dealer Websites



**JSE CORPORATE GOVERNANCE INDEX**  
Upgraded 2024 score of **89.88%**



**CARICRIS CREDIT RATING REAFFIRMED**  
Issuer/Corporate Credit Ratings: CariBBB, jmBBB+, jmA-

## CAPITAL MARKETS



**LANDMARK EQUITY TRANSACTION**  
Executed transaction valued at **J\$2.3 Billion**



**PREFERENCE SHARE RAISE**  
Capital Markets Unit raised over **\$600M** via Preference Shares



**VM INVESTMENTS RAISE**  
Capital Markets Unit raised over **\$800M** for VM Investments Ltd.

## MARKET PERFORMANCE



### JSE MAIN MARKET

Ranked #2 in Volume and #4 in Value Traded on the JSE Main Market



### JSE JUNIOR MARKET

Ranked #4 in Volume and Value Traded on JSE Junior Market



# 2025 Business Highlights

## FINANCIAL RESULTS



### TREASURY NET INTEREST INCOME

Grew by \_\_\_\_\_

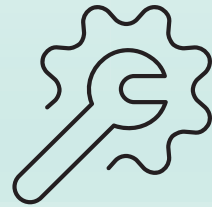
**23%**

or **J\$36 million**

— remarkable turnaround

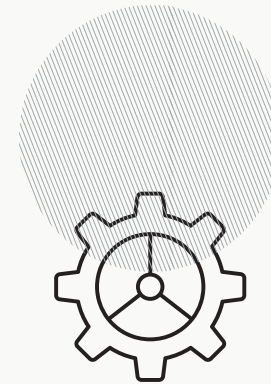
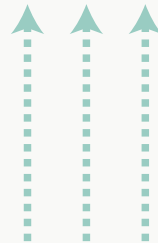


## TECHNOLOGY & INNOVATION



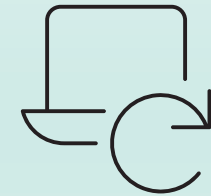
### IPO EDGE PLATFORM ENHANCEMENTS

Key improvements to security, processing efficiency and client onboarding experience



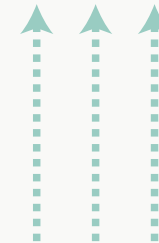
### CORE SYSTEM UPGRADE

Completed major upgrade to VM Wealth's core investment management system



### DIGITAL ONBOARDING PLATFORM

Secured regulatory approval and launched VM Wealth's Digital Onboarding Platform



## EXPANSION & NEW PRODUCTS



### BARBADOS INVESTMENT ADVISOR LICENSE

— regional expansion  
milestone

### CONSTANT STREAM PORTFOLIO LAUNCH

Low-risk liquidity  
management solution  
for clients under VM  
Wealth Unit Trust



# Strategic Outlook and Achievements



## Our Two Pillar Strategy (2024–2026)

VMIL's strategic agenda for the 2024–2026 period is built on two foundational pillars designed to strengthen revenue resilience, elevate client experience, and position the organisation for long-term, sustainable growth. The first pillar, Revenue Growth and Diversification, focuses on expanding and broadening the company's income streams across key business lines—including asset management, private equity, real estate, and structured investment solutions—while deepening VMIL's regional footprint.

The second pillar, Implementing Self-Serve Capabilities, is centred on transforming client experience through digitisation. This involves elevating digital touchpoints, automating core processes, and building a robust self-service ecosystem that improves speed, transparency, efficiency, and client control. The goal is to reduce friction across the value chain and empower clients with seamless access to investment services.

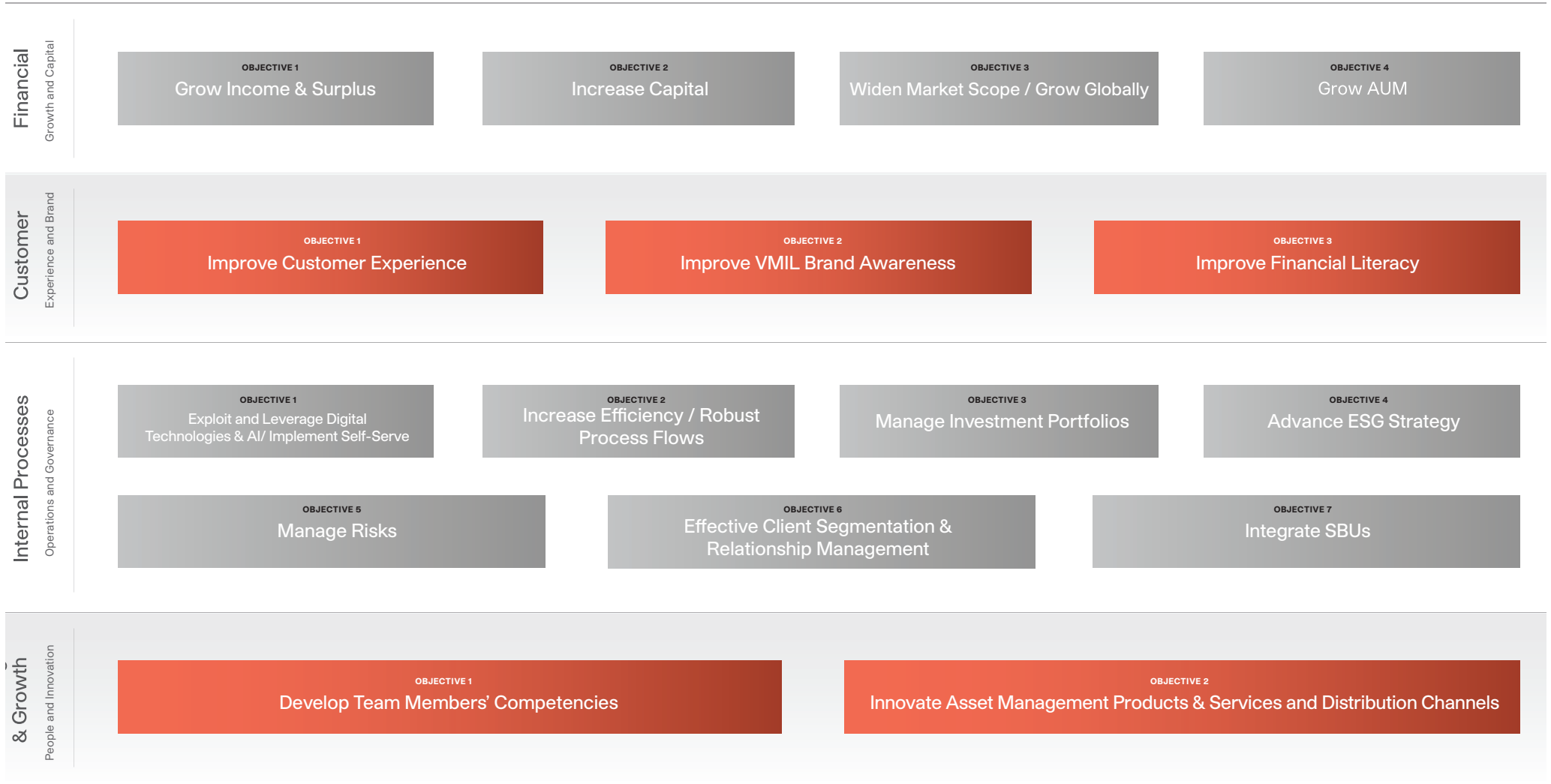
## Execution of these pillars is supported by several strategic initiatives:

- ▶ VMIL continues to accelerate growth in Asset Management, including the development of new investment funds, real estate vehicles, and bespoke portfolio management solutions.

At the same time, the company is strengthening its Private Equity capabilities, sharpening product rationalisation efforts to enhance efficiency, and advancing a multistage digital roadmap. This roadmap emphasises automation and channel migration in Horizon 1, with progressively more advanced digital capabilities introduced in subsequent phases as the organisation builds scale and maturity.

**“Executing on revenue expansion and digital transformation positions VMIL for sustained, long-term value creation.”**

## VMIL 2024-2026 STRATEGY MAP



# Strategic Outlook and Achievements

Cont'd

## Our Achievements in Executing our Strategy

VMIL's market presence continued to strengthen throughout the year. This dominant position was reinforced by the successful execution of a J\$2.3 billion equity transaction, demonstrating the company's deep structuring capabilities and leadership in Jamaica's capital markets. In addition, VMIL expanded its investment reach through a strategic private equity partnership, broadening both origination capacity and co-investment opportunities across the region.

In the area of digital transformation and client experience, VMIL recorded strong momentum. The active client base grew by 11% year over year during the first half of the year, with client enrollment rising 46%, logins increasing 26%, and digital service requests surging 80%. These metrics reflect the success of the company's self-service initiatives and targeted engagement programmes. Complementing this growth, VMIL advanced several automation and process efficiency initiatives, including enhancements to dividend and coupon processing and automated letter generation tools, which collectively reduced manual workload, strengthened operational accuracy, and improved turnaround times.

From a governance and risk standpoint, VMIL maintained its strong discipline. The company's JSE Corporate Governance Index score improved to 89.88%, placing it just shy of the prestigious AA band and demonstrating meaningful progress in disclosures, transparency, and control frameworks. Additionally, the Enterprise Risk

Management (ERM) Key Risk Indicator score closed the year at 84.31%, exceeding the established benchmark of 83% and reaffirming VMIL's commitment to effective risk oversight.

The organisation's people and culture agenda also delivered exceptional results. High potential talent retention remained at 100% as at December 2025, an outcome supported by ongoing professional development and leadership engagement initiatives. This was mirrored in the company's Human Resource Engagement Index (HREI), which rose to 74, alongside a strengthened Leadership Score of 78, reflecting a workforce that is increasingly aligned, motivated, and equipped to support VMIL's strategic ambitions.



# Historical Statistical Review



# Historical Statistical Review

Cont'd

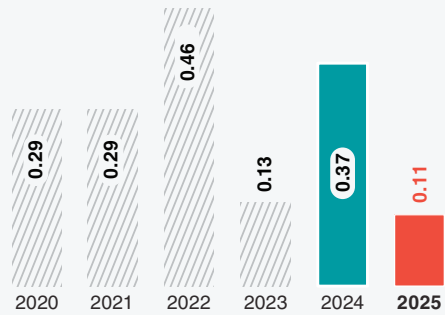
	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>SUMMARY BALANCE SHEET</b>									
Total Assets (\$'000)	20,068,454	21,610,199	25,327,701	29,493,139	30,924,602	28,941,792	29,506,794	30,455,151	35,062,924
Cash & Cash Equivalents (\$'000)	3,409,989	740,538	1,917,241	1,571,567	763,557	1,192,249	877,655	1,469,290	681,291
Resale Agreements (\$'000)	3,371,409	4,217,141	3,937,275	7,380,680	4,051,332	752,147	1,570,685	861,775	1,691,192
Investments Securities (\$'000)	11,683,640	13,241,358	16,718,180	16,366,621	20,399,811	17,560,235	18,276,764	19,471,561	24,739,876
Loan Receivables (\$'000)	441,057	1,376,139	1,876,637	1,789,651	3,482,266	5,467,380	4,651,668	4,102,234	3,037,131
Total Liabilities (\$'000)	17,484,432	18,837,775	21,000,873	25,359,543	27,868,027	26,453,220	25,456,585	25,837,018	30,411,002
Repurchase Agreements (\$'000)	13,164,960	15,454,981	16,999,392	20,312,831	19,649,270	15,589,291	14,356,049	13,933,279	20,770,682
Shareholder's Equity (\$'000)	2,584,022	2,772,424	4,326,828	4,133,596	3,056,575	2,488,572	4,050,209	4,618,133	4,651,922
Shareholder's Equity Attributable to the owners (\$'000)	2,534,022	2,722,424	4,276,828	4,083,596	3,006,575	2,438,572	2,500,209	3,068,133	3,101,922
<b>SUMMARY INCOME STATEMENT</b>									
Net Interest Income (\$'000)	246,989	250,079	260,381	289,622	369,214	253,038	47,821	151,399	187,232
Net Fees & Commission (\$'000)	500,163	838,268	933,128	925,323	791,956	1,011,760	944,933	1,014,789	1,005,073
Gains From Investment Activities (\$'000)	193,077	213,879	485,899	593,988	670,156	946,527	866,343	1,437,398	1,110,210
Consolidated Revenues (\$'000)	966,455	1,306,775	1,682,961	1,875,589	1,856,147	2,336,950	1,882,536	2,643,423	2,357,924
Total Operating Expense (\$'000)	498,630	767,740	881,397	1,240,712	1,197,928	1,400,674	1,873,649	2,382,109	2,470,304
Staff Cost (\$'000)	292,329	349,068	518,023	587,487	648,619	764,675	912,572	1,109,819	1,279,482
Other Operating Cost (\$'000)	206,301	313,230	459,416	533,906	544,443	756,325	810,701	1,108,423	1,113,637
Depreciation & Amortization (\$'000)	11,241	28,888	66,452	72,604	79,019	89,410	103,427	104,892	92,931
Taxation charge / (credit) (\$'000)	121,523	141,437	188,178	165,283	218,187	219,688	(25,546)	(101,038)	-127,341
Profit Before Tax (\$'000)	467,825	539,035	786,227	598,873	658,219	936,276	173,298	454,684	38,634
Net Profit (\$'000)	346,302	397,598	598,049	433,590	440,032	716,588	198,844	555,722	165,975
<b>PROFITABILITY RATIOS/METRICS</b>									
Net Interest Margin	1.44%	1.30%	1.18%	1.12%	1.32%	0.94%	0.19%	0.59%	0.69%
Net Profit Margin	35.83%	30.43%	35.54%	23.12%	23.71%	30.66%	10.56%	21.02%	7.04%
Return on Equity	16.49%	14.85%	16.85%	10.25%	12.24%	25.85%	6.08%	12.82%	3.58%
Return on Assets	1.90%	1.91%	2.55%	1.58%	1.46%	2.39%	0.68%	1.85%	0.51%
Cost/Income Ratio	51.59%	58.75%	52.37%	66.15%	64.54%	59.94%	99.53%	90.11%	101.49%
Effective Tax Rate	25.98%	26.24%	23.93%	27.60%	33.15%	23.46%	-14.74%	-22.22%	-329.61%

	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>STOCK INFORMATION</b>									
Earnings Per Share	\$0.23	\$ 0.27	\$0.40	\$ 0.29	\$0.29	\$0.48	\$0.13	\$0.37	<b>\$0.11</b>
Closing Stock Price	\$3.24	\$3.82	\$8.97	\$5.90	\$6.13	\$4.02	\$2.75	\$2.52	<b>\$2.14</b>
Price to Earnings Ratio	14.03x	14.41x	22.50x	20.41x	20.90x	8.42x	20.75x	6.80x	<b>19.34x</b>
Book Value Per Share	\$1.72	\$1.85	\$2.88	\$2.76	\$2.04	\$1.66	\$1.67	\$2.05	<b>\$2.07</b>
Price to Book Ratio	1.88x	2.07x	3.11x	2.14x	3.01x	2.42x	1.65x	1.23x	<b>1.03x</b>
Dividends Per Share	\$0.25	\$0.14	\$0.19	\$0.03	\$0.16	\$ -	\$ -	\$0.08	<b>\$ -</b>
Dividends Paid	\$380,867.00	\$210,004.00	\$285,005.00	\$45,001.00	\$232,504.00	\$ -	\$ -	\$127,502.00	<b>\$ -</b>
Dividends Payout Ratio	109.98%	52.82%	47.66%	10.38%	52.84%	0.00%	0.00%	22.94%	<b>0.00%</b>
Capital Gains	32.24%	17.90%	134.82%	-34.23%	3.90%	-34.42%	-31.59%	-8.36%	<b>-15.08%</b>
<b>BALANCE SHEET RATIOS</b>									
Current Ratio	0.46x	0.42x	0.39x	0.50x	0.32x	0.31x	0.31x	0.28x	<b>0.21x</b>
Investments Securities as a % of Total Assets	58.22%	61.27%	66.01%	55.49%	65.97%	60.67%	61.94%	63.94%	<b>70.56%</b>
Repurchase Agreements as a % of Total Liabilities	75.30%	82.04%	80.95%	80.10%	70.51%	58.93%	56.39%	53.93%	<b>68.30%</b>
Capital to Assets Ratio	12.88%	12.83%	17.08%	14.02%	9.88%	8.60%	13.73%	15.16%	<b>13.27%</b>
<b>OTHER STATISTICS</b>									
JSE Main Market Index as at December 31	288,381.97	379,790.86	509,916.44	395,614.93	396,155.61	355,896.64	325,699.79	335,794.94	<b>317,986.88</b>
JSE Main Market Index Annual Movement	49.98%	31.70%	34.26%	-22.42%	0.14%	-10.16%	-8.48%	3.10%	<b>-5.30%</b>
12-Monrh Point-to-Point EOY Inflation Rate	5.25%	2.41%	6.24%	5.21%	7.30%	9.35%	6.88%	4.97%	<b>4.34%</b>
EOY JMD/USD Exchange Rate (Bid)	\$ 125.00	\$127.72	\$132.57	\$142.65	\$155.09	\$152.05	\$154.95	\$156.42	<b>\$158.93</b>
Annual Real GDP Growth	0.70%	1.80%	1.00%	-9.90%	4.60%	5.20%	2.60%	-0.80%	<b>-7.06%</b>
Average Annual Unemployment Rate	11.64%	9.10%	7.72%	7.61%	8.36%	6.28%	4.38%	4.18%	<b>3.40%</b>

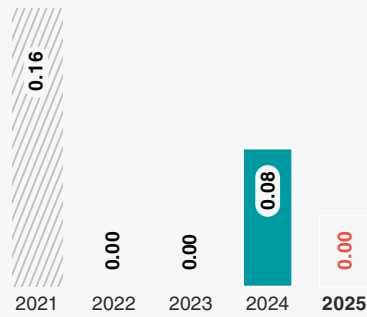
# Historical Statistical Review

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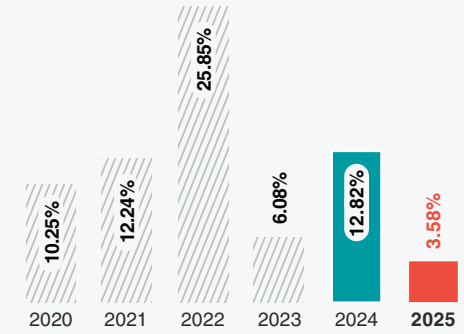
### Earnings Per Share



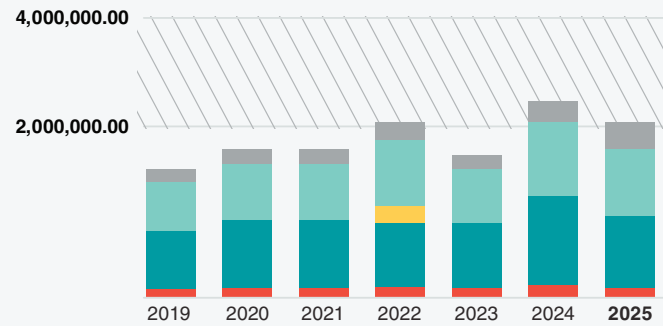
### Dividends Per Share



### Return on Average Equity



### Operating Revenue



# Chairman's Message

“ We move forward with clarity of purpose and a strong foundation for the future.”

**Michael McMorris**  
Chairman

**The 2025 financial year unfolded within a complex global environment, as economies continued to adjust to the effects of tighter monetary policy, moderating inflation, and ongoing geopolitical uncertainty.**

Global growth remained steady but subdued, with expansion estimated at approximately 3.2%, reflecting a more measured pace of economic activity relative to recent years. Financial conditions, while stabilising, remained constrained, with higher interest rates continuing to influence capital flows, investment decisions, and overall market liquidity.



# Chairman's Message

Cont'd 

Within the Caribbean, growth similarly moderated, as economies navigated external pressures alongside domestic constraints, including exposure to climate-related disruptions.

Against this backdrop, Jamaica's economy continued to demonstrate resilience, supported by disciplined macroeconomic management and strengthened fiscal fundamentals.

For most of the year, inflation remained broadly within the Bank of Jamaica's target range, unemployment levels continued to trend near historic lows, and the country maintained relative stability in key economic indicators. At the beginning of the fourth quarter, however, the catastrophic weather event of Hurricane Melissa created unprecedented nationwide disruption and uncertainty, the after-effects of which were still being determined as we closed the year.

Overall, the environment reinforced the importance of prudence, adaptability, and strategic focus across the financial services sector.

Within this context, VM Investments Limited remained concentrated on executing its strategic priorities while navigating the realities of the market and responding to the needs of its clients and a disaster-impacted community.

## Creditable Performance

For the year ended December 31, 2025, VMIL reported net profit of J\$165.9 million, compared to J\$555.7 million in the prior year. Included in the 2024 results was a non-recurring gain of J\$422 million arising from the sale of the Group's private equity interest in Carilend which materially impacted 2024 profitability. The absence of this one-off item in 2025 accounted for the majority of the year-over-year decline in reported net profit. While the net outcome is not where we want it to be, when this positive prior year 'event' is removed, profit after tax for 2025 increased by 24.12%, reflecting improving core operating performance. Total revenues also remained robust at J\$2.4 billion (2024: J\$2.6 billion), while total assets grew from J\$30.5 billion in the prior year to J\$35.1 billion, providing us with encouraging markers for sustainable improvement in the coming year.

Performance during the year reflected the impact of prevailing market conditions, including reduced liquidity and the effects of interest rate movements. While these factors contributed to some variability in earnings (along with the naturally uneven earnings of our growing private equity business), the core enterprise continued to demonstrate strength from its diversified sources of revenue, and sustained client focus.

The year was marked by continued effective strategic execution. Management advanced on our objective of building a more durable business model, with emphasis on expanding fee-based income, strengthening its wealth

management platform, and deepening its participation in alternative investment strategies, including private equity and real estate.

This on-going repositioning is intended to enhance earnings stability over time, reduce exposure to market volatility, and position VMIL to capitalise on emerging opportunities across both local and regional markets.

VMIL also maintained an active presence in the capital markets, supporting clients through transactions and advisory services in an environment that required both agility and expertise. These activities continue to reinforce VMIL's role as a trusted partner within Jamaica's financial ecosystem.

Operationally, the business continued to invest in strengthening capabilities through technology and the more efficient deployment of talent resources, alongside enhancements to its risk management framework.

While these investments contributed to an increase in operating expenses during the year, they reflect a deliberate approach to building a more scalable, efficient, and future-ready organisation - one that is better equipped to navigate complexity and support long-term growth.

From a governance perspective, the Board remained actively engaged in overseeing the Company's strategic direction, risk posture, and overall performance. Indeed, in a year characterized by market volatility and weather-related crisis conditions, strong governance was essential.

The Board maintained a disciplined approach to oversight, supported by robust committee structures. This keen focus on governance remains fundamental to sustaining stakeholder confidence and ensuring that VMIL remains well-positioned to manage both risks and opportunities.



### Farewell, Phillip Silvera

During the year, the VMIL and the wider VM Group experienced the loss of a distinguished member of its Board, Mr. Phillip G. Silvera. Director Silvera served the VM

Group with exceptional dedication for over four decades, including his tenure as a Director of VM Investments Limited and Chairman of its Audit Committee. He was a consummate professional, known for his precision, integrity, and unwavering commitment to excellence.

His approach to governance was defined by rigour, discipline, and a deep sense of responsibility. He brought thoughtful insight to Board deliberations, consistently ensuring that decisions were grounded in sound judgment and careful consideration.

His contributions have left a lasting imprint on the governance framework and culture of VMIL. On behalf of the Board, I extend our sincere condolences to his family and express our profound appreciation for his service and legacy.

### Future Ready

The theme of this year's Annual Report, **Future Ready**, reflects both our current positioning and our forward-looking ambition. It speaks to an organisation that is deliberately strengthening its foundation - enhancing its capabilities, diversifying its business model, and positioning itself to respond effectively to a rapidly evolving financial landscape.

As we look ahead, the Board remains confident in VMIL's strategic direction.

We will continue to focus on deepening client relationships, expanding our investment offerings, and pursuing

opportunities that support sustainable growth, while maintaining a disciplined approach to risk and capital management.



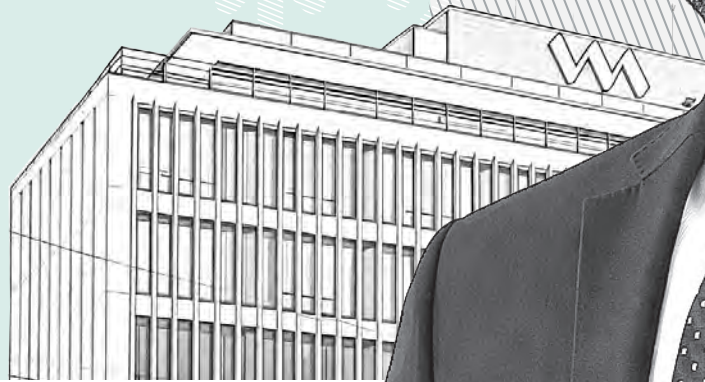
On behalf of the Board, I extend my sincere appreciation to the Leadership Team and Team Members for their continued commitment and execution throughout the year. I also thank our Clients and Shareholders for their ongoing trust and confidence. We move forward with clarity of purpose and a strong foundation for the future.

**Michael Morris**  
Chairman  
VM Investments Limited

# CEO's Report

“The year was defined not by short-term volatility, but by disciplined execution, delivering resilience, adaptability, and a return to profitability.”

**Rezworth Burchenson**  
 Chief Executive Officer  
 VM Investments Limited



**The global and domestic economic landscape in 2025 demanded discipline, agility, and clarity of purpose.** While Jamaica's macroeconomic fundamentals remained broadly resilient, characterized by low unemployment, contained inflation within the Bank of Jamaica's target range, and continued structural stability across key sectors, investment activity softened amid elevated interest rates and cautious market sentiment. Internationally, heightened geopolitical tensions and persistent trade frictions further reinforced the importance of prudent risk management and selective capital deployment.

Against this backdrop, VM Investments Limited approached 2025 with focus and resolve. The first half of the year reflected the realities of a normalizing market environment. Revenue totalled approximately J\$1.29 billion, and the absence of the one-off gains that supported 2024 performance contributed to a net loss of J\$39.2 million in the period.

However, the year was defined not by short-term volatility, but by disciplined execution. Through strategic cost containment, stronger asset management performance, and targeted capital markets activity, VMIL pivoted to deliver a profitable full-year result. Net Revenue for the year closed at approximately J\$2.36 billion, with Net Profit reaching J\$165.9 million — a testament to resilience, adaptability, and decisive leadership.

Our capital position remained sound, with a capital-to-assets ratio of approximately 14.26% at mid-year, reinforcing the strength of our balance sheet and our capacity to pursue growth responsibly.

Throughout 2025, our strategy centered on strengthening the foundations that will sustain VMIL's long-term growth. We deepened our emphasis on revenue quality and diversification, accelerating our pivot toward asset management income and expanding private equity and real asset opportunities through strategic partnerships. This evolution reflects a deliberate shift toward more resilient, fee-based earnings streams and enhanced origination capability.

Digital transformation continued to move from initiative to infrastructure. We advanced automation, embedded self-service capabilities, and strengthened our digital platforms to reduce operational friction and improve speed to market. Digital adoption metrics demonstrated strong momentum, with significant growth in client enrolment, platform engagement, and digital service requests — underscoring the organisation's transition toward a more modern, client-centric operating model.

At the same time, we sharpened our focus on client experience. Improving onboarding turnaround times, strengthening proactive communication, and enhancing advisory support for Emerging Affluent and General Retail clients remain central to our Net Promoter Score ambitions. We recognize that sustainable growth is inseparable from trust and service excellence.

Governance and disciplined oversight continued to underpin our progress. Our improved JSE Corporate Governance Index score reflects strengthened accountability structures and risk management frameworks. As markets evolve, robust governance remains essential to preserving confidence and protecting long-term shareholder value.

As we progressed into the second half of the year, leadership intensified its emphasis on converting a strong transaction pipeline into realized revenue, particularly within securitisation and equity capital markets opportunities. Regional expansion also advanced, with continued integration of our Barbados operations and exploration of broader Caribbean opportunities to diversify growth and reinforce VMIL's regional footprint.

The lessons of 2025 were clear. Market cycles require adaptability. Digital transformation demands cross-functional alignment and sustainable profitability is achieved through disciplined execution, operational efficiency, and strategic clarity.

Guided by our 2024–2026 Strategic Plan, VMIL enters 2026 positioned for measured growth. We will continue to advance our alternative investments strategy, scale digital automation, and strengthen risk analytics to maintain top-tier governance standards. Our objective remains unwavering: to build a resilient, future-ready investment institution that delivers sustainable returns while upholding the highest standards of integrity and accountability. The progress achieved in 2025 reinforces our conviction that strengthening foundations today is the surest path to sustainable growth tomorrow.



**Rezworth Burchenson**  
Chief Executive Officer  
VM Investments Limited



## Board of Directors

**The Board's commitment to strong governance is supported by deep expertise across strategy, finance, leadership, risk, and stakeholder engagement — driving disciplined decisions and long-term value creation.**





**Mr. Michael McMorris**  
BA Chairman



**Mr. Matthew Wright**  
MPhil, MA, BA



**Mr. Courtney Campbell**  
CD, MBA (Dist), ACIB, BSc, JP, LLD (Hon)



**Mr. Rezworth Burchenson**  
MBA, BSc (Hons)



**Mr. Milton J. Samuda**  
Esq



**Mr. Noel Hann**  
EJD, FAIA, MCMI



**Mr. Phillip Silvera**  
FCCA, FCA



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



**Mr. Vikram Dhiman**  
MBA, BSc

Cont'd →



**Mrs. Maria Robinson**  
BBA, CPA (NS), FCA



**Mr. Dennis G. Cohen**  
FCA, FCCA, B.Sc



**Mr. Frederick Williams**  
FCCA

# Board of Directors



**Mr Michael McMorris**  
BA Chairman

Mr. Michael McMorris has served as VM Group Chair since 2011 and VM Investments Limited Chairman since 2017. He is Principal of the business management firm KRONOS Limited and works with local and international investors in the areas of new venture development and strategic management. Mr McMorris also served with distinction as President of the Jamaica Chamber of Commerce for the term 2022/2023. Mr McMorris has had a successful career in both the private and public sectors. He was previously an Executive Director of Jamaica Promotion Corporation (JAMPRO) and prior to that, held the post of CEO with Trafalgar Commercial Bank (now First Global) and Knutsford Capital Merchant Bank, which he helped found. He is a past president of the Jamaica Merchant Bankers Association. Mr McMorris holds a Bachelor's Degree in Economics and Politics & Public Affairs from the University of Miami as well as advanced finance training from Citibank's School of Banking where he started his career. He was a member of the National Academic Honour society Pi Sigma Alpha during his time at the University of Miami and a Deal of the Year winner at Citibank. Currently, he also serves as Chairman of VM Wealth Management Limited and is a director of several other commercial enterprises. A strong believer in national service, he has been a member of the Government's Technical Task force on Tourism (Covid) Recovery, Chairman of the Tourism Working Group on Entertainment, Chairman of the Enterprise Group for the Divestment for NMI Airport Operations, Chair of the Finance Committee of the Airport Authority of Jamaica and a Director of the National Exim Bank of Jamaica.



**Mr. Matthew Wright**  
MPhil, MA, BA

Mr. Matthew Wright is the Managing Director of York Investment Management S.A., an independent financial advisory firm providing global asset management solutions to the high net worth, family office and institutional client market. He has over 25 years' experience in investment management, corporate finance, credit risk management, and real estate investment. He is a former Vice-President in the Infrastructure and Energy Finance Group of Citibank Global Capital Markets in New York, with responsibility for providing financial advisory and debt arrangement services to major infrastructure projects in North America, Latin America, and the Caribbean. Mr Wright has also served as Assistant Vice-President for Capital Markets in the Emerging Market Corporate Bank for Citibank Jamaica. As a former Cambridge Commonwealth Scholar, he holds a Master of Philosophy in Environment and Development from Cambridge University in the United Kingdom, a Master of Arts Degree in International Development Policy from Stanford University, California, and a Bachelor of Arts Degree in Economics from Williams College, Massachusetts



**Mr. Courtney Campbell,**  
CD, MBA (Dist), ACIB, BSc, JP, LLD (Hon)

Mr. Courtney Campbell is President and Chief Executive Officer of VM Group Limited and VM Financial Group Limited, whose operations extend from Jamaica to other Caribbean territories and major financial districts in North America and Europe. Courtney joined VM in April 2016 and immediately went about igniting a transformation of the organisation, including its digital strategy, product and service offerings, brand identity and business structure, resulting in

unprecedented growth and expansion. He has leveraged the organisation's cultural beliefs and core values to kindle the VM Team's passion for uplifting Jamaicans. Courtney is a passionate advocate for greater inclusion and financial well-being, which is the founding purpose of VM.

Before joining VM Group, Courtney had already established an enviable record of success in several senior executive roles including that of CEO of GraceKennedy Financial Group. He also spent over 23 years with the National Commercial Bank, serving in various leadership positions, including Head of the Retail Banking Division and other roles instrumental to the bank's success. He holds a BSc in Management Studies from The University of the West Indies, and an MBA in Finance (Distinction) jointly awarded by the University of Wales & Manchester Business School. He is also a member of the Chartered Institute of Bankers, London.

Courtney is a director of VM Group Limited as well as VM Financial Group Limited and all its subsidiaries, as well as associate company British Caribbean Insurance Company. Courtney is a Corporate Champion for the UWI STAT, Mona Campus and serves on the Governor-General Jamaica Trust and the Investment Committee of the Council of World Missions. He is a former Chairman of the National Education Trust (NET).

In September 2023, Courtney received the Outstanding Business Leader Award, from the Mona School of Business & Management (MSBM) for his "relentless contributions to nation building". In the same month, he received the Governor General's Medal of Honour for his excellent support of the office of the Governor General's service to the people of Jamaica. In March 2024, Courtney was named as recipient of the prestigious American Friends of Jamaica (AFJ) International Achievement Award for his accomplishments in business and his service to humanity. He was, in August 2024, conferred with the Order of Distinction in the Rank of Commander (CD) for sterling service to the field of Financial Operations. In October

2024, Courtney was conferred with the Honorary Doctor of Laws (LLD) degree from the University of the West Indies, Mona for his work as an entrepreneur and philanthropist. Courtney is married to Pauline and they have two sons.



**Mr. Rezworth Burchenson**  
MBA, BSc (Hons)

Mr. Rezworth Burchenson is a Senior Vice President and member of the Executive Leadership Team of the VM Group, and CEO of VMIL and its subsidiary, VMWM. Mr Burchenson was appointed CEO of VMIL and VMWM in January 2019 after a successful tenure as Deputy CEO of both businesses and CEO of VM Pensions Management Limited. He is a results-focused, purpose-driven leader with an impressive record of success in the financial services industry. Before joining the VM Group, Mr Burchenson provided transformative leadership in senior roles including CEO of Prime Asset Management Ltd and Vice President and General Manager of Pan Caribbean Asset Management Ltd, with principal responsibility for managing Jamaica's largest unit trust (Sigma Unit Trust). Mr Burchenson is well regarded by his industry peers, his team members and clients, and has received accolades for his contribution to the local financial landscape. In 2012, he was named among the PSOJ's exclusive '50 Under Fifty' in the field of investments and finance. His contribution to the sector also serving on the PSOJ's Economic Policy Committee and as a member of the JSE Best Practice Committee. He has also served as a Director of: National Road Operating and Constructing Company (NROCC), National Education Trust Ltd (NET), Human Resource Management Association of Jamaica, and Pension Funds Association of Jamaica (PFAJ). A Barclays Bank Scholar while at the University of the West Indies, he earned a Bachelor's Degree in Economics (Hons) and an MBA in Banking and Finance (Hons). He also received leadership training at: The Wharton School, Aresty Institute of Executive Education

# Board of Directors

Cont'd

Advanced Management Programme (AMP 194) at Harvard Business School Palladium's Kaplan-Norton Strategy Execution Boot Camp Mr Burchenson believes strongly in purposeful work and is driven to improve financial inclusion and wellbeing among Jamaicans at home and abroad.



**Mr. Milton J. Samuda**  
Esq

Mr. Milton J. Samuda is the Managing Partner of Samuda & Johnson and heads the firm's Commercial Department. His practice includes Tourism, Corporate and Hotel Financing; Trade and Transportation; Mining and Energy; Sports and Entertainment; and Maritime Law. He is a Past-Chairman of Jamaica Promotions Corporation (JAMPRO) and a Past-President of the Jamaica Chamber of Commerce (JCC). Currently, he is a director of VM Wealth Management Limited, VM Investments Limited, VM Building Society, EveryData Jamaica Limited, Berger Paints Jamaica Limited, OMS Associates Limited and the Zed Jamaica Group. Mr Samuda is Chairman of the Institute of Law and Economics, the National Dance Theatre Company (NDTC) and the Wolmer's Trust. Mr Samuda is also a member of the Advisory Board of the Spanish-Jamaican Foundation and serves as the Foundation's Secretary. Mr Samuda holds a L.L.B. (Hons.) degree from the University of the West Indies and was admitted to practice in Jamaica in 1982 having completed studies at the Norman Manley Law School. In 1993 he was also admitted to practice in the British Virgin Islands. An Anglican, Mr Samuda is married to Elizabeth and has three children, Matthew, Marlon and Mariana.



**Mr. Noel Hann**  
EJD, FAIA, MCMI

Mr. Noel Hann joined the VM family in 1976 and served the Building Society for over 30 years. As Senior Vice President Finance and Chief Financial Officer, he had responsibility for Accounting, Finance, Investment, Pension Fund Administration, Foreign Currency Trading and Information Technology. He retired in 2010 as Senior Vice President, Group Risk and Compliance. He also has extensive professional experience in manufacturing, construction and hotel operations. Mr Hann is a fellow of The Association of International Accountants (UK) and a member of the Chartered Management Institute (UK). In July 2007, he completed an Executive Juris Doctor (EJD) Law Degree at Concord Law School, California. He has completed several management development programmes, including Financial Management, at the Graduate School of Savings & Loans, Northwestern University. A past Council Member of the Building Societies Association of Jamaica, Mr Hann also serves on the Boards of several companies. He is the Chairman of the McGrath High School and the founder and senior pastor of The New Life Tabernacle Church in Bog Walk, St. Catherine. A Justice of the Peace, he serves as a Lay Magistrate and is very involved in the communities of Bog Walk and Linstead, being on the Community Consultative Committees, as well as the Linstead Hospital Redevelopment Committee. Over the years, Mr Hann has spearheaded numerous programmes geared towards the advancement of young people.



**Mr. Phillip Silvera**  
FCCA, FCA

Mr. Phillip Silvera is a long-standing member of the VM Family and is a former Executive Vice-President of The VM Building Society, where he spent 32 years in various senior positions including Divisional President, Financial Controller and Chief Accountant. A Fellow of the Association of Chartered Certified Accountants (FCCA) UK and the Institute of Chartered Accountants (FCA) Jamaica, Mr Silvera has over four decades of experience in the financial industry.

He was also a licensed Security Dealer and served as a registered Public Accountant for many years. He currently serves on the boards of VM Group, VM Financial Group, VM Investments and VM Wealth Management. He chairs the Audit, Risk and Conduct Review Committees of the two latter companies. In 2021, he joined the Board of Kingston Properties Limited, a company listed on the Jamaica Stock Exchange. Mr Silvera is Chair of the Board of Directors of Topaz Christian Fellowship and a Past President of the Golden Acres Citizens Association. He previously served on the boards of several other companies, including VMBS Money Transfer, Victoria Mutual Insurance Company, Jamaica Unit Trust and The Caribbean Graduate School of Theology. He is also a past Chairman of J.E.T.S. Limited, operators of MultiLink, Jamaica's largest payment system. He is married to Faye and they have three children. A former Head Boy of St Mary High School, Mr Silvera enjoys woodworking and farming at home. Mr. Silvera passed away in August 2025. The Board expresses its sincere appreciation for his service.



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

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

A former licensed securities dealer and President of First Global Financial Services Limited, Shirley-Auxilly is a 2006 Fellow of the Jamaican Institute of Management and a member of the Private Sector Organisation of Jamaica. She is a former Director and Vice President of The Jamaica Chamber of Commerce and has served on various other private and public sector boards, including as Deputy Chairman, The Jamaica Stock Exchange (2008), Secretary, Security Dealers Association (2006-2008), Commissioner, Anti-Dumping & Subsidies Commission and Jamaica Deposit Insurance Company. A former Senior Research/Teaching Fellow-Finance, Mona School of Business, University of the West Indies, Mona, Shirley-Auxilly has also served in various capacities on technical assistance and project teams funded by private sector and multilateral agencies. Her experience includes entrepreneurship and SME development. She believes in giving back through service and is a Past Federation Councilor and Past President of Soroptimist International (SI) Jamaica, and a former Vice President SI Caribbean Network of clubs. Shirley-Auxilly attained a B.Sc. (Hons) Management Studies from The University of the West Indies, majoring in Financial Accounting & Finance and an MBA Finance and Banking from Pace University, New York, USA. She completed a postgraduate Diploma in Investment Appraisal and Risk Analysis from Queens University, Ontario, Canada. She is also an approved Pension Fund Trustee and a retired member of the Project Management Institute.



**Mr. Vikram Dhiman**  
MBA, BSc

Mr. Vikram Dhiman is the Chief Operating Officer of ICD Group Holdings Limited, a Jamaican-based Investment holding company with regional and global interests in Real Estate, Construction, Property Management, General Insurance, Business Process Outsourcing and E-Commerce businesses. He began his career with KPMG in Jamaica and also worked with them in India and the Netherlands. He has worked with the United Nations Compensation Commission, in Geneva, as a valuation specialist for determination of the claims arising from the 1990 Gulf War. After his MBA at INSEAD, he worked at Marakon Associates, a strategy and management consulting firm, at their London Office, advising several FTSE100 firms. He joined the ICD Group in 2004 and has been instrumental in shaping and growing the businesses of the Group and has been responsible for creating and managing growth and change with all the companies and businesses that he works with. Mr Dhiman is a naturalised Jamaican and has chosen Jamaica as his home. He serves on several private and public sector boards as part of his employment and as a volunteer. He is the Chairman of British Caribbean Insurance Co. Limited (Jamaica's largest insurance company), and WIHCON Properties Limited, and a past Deputy Chairman of the Special Economic Zone Authority's board. He is a director of Advantage Communications Inc. (Canada), ADV Communications.



**Mrs. Maria Robinson**  
BBA, CPA (NS), FCA

Mrs. Maria Robinson is a Chartered Professional Accountant and a seasoned tax specialist with over 35 years of experience advising multinational, regional, and high-net-worth clients across the Caribbean. She currently serves as Managing Director of Rexdale Consulting Inc., where she provides bespoke tax advisory services to a range of clients.

Maria spent over two decades in leadership roles at two of the world's leading professional services firms. At Ernst & Young (EY), she held the role of Country Managing Partner in Barbados from 2014 to 2021, where she led a multidisciplinary team of 160 professionals across the firm's service lines. Prior to that, she served as Tax Partner at both EY and PricewaterhouseCoopers, with a focus on international business, financial services, and the insurance industry.

A graduate of York University in Toronto, Maria holds a Bachelor of Business Administration and is a member of the Chartered Professional Accountants of Nova Scotia, Canada. She is also a Fellow of the Institute of Chartered Accountants of Barbados. Maria has played an active role in shaping tax policy, serving as Chair of several tax committees and contributing to technical working groups, including Barbados' response to OECD BEPS requirements. She has published technical articles on taxation and spoken on international tax matters in the Caribbean and Canada.



**Mr. Dennis G. Cohen**  
FCA, FCCA, B.Sc.

Mr. Dennis Cohen was appointed to the Board of Directors of VM Financial Group in December 2024. He brings a wealth of experience in the financial sector, most recently serving as Group Chief Financial Officer and Deputy Chief Executive Officer of NCB Financial Group (NCBFG). During his tenure, he also held the role of Chief Executive Officer of NCB Capital Markets and served as a director of several key companies within the group, including NCBFG, National Commercial Bank Jamaica Limited, NCB Capital Markets, Guardian Holdings Limited, Guardian Life of the Caribbean, Guardian Life Jamaica Limited, Guardian General Insurance Limited (Trinidad), and Clarien Bank Limited (Bermuda).

Before joining NCB, Mr. Cohen began his banking career at Citibank N.A. Jamaica, where he served as Vice President, Country Treasurer and Vice President C Head of the Relationship Management Group. Earlier in his career, he worked at PricewaterhouseCoopers as a Senior Accountant. Mr. Cohen is the Chairman of the Council of the University of the West Indies, Mona Campus. He previously led the Operation Restructuring, Transformation, and Growth (RTG) project for the campus as Chairman, driving a critical initiative aimed at enhancing administrative efficiency. He currently serves as a Director of WIP Energy Limited. His previous contributions include serving as Vice President of the Private Sector Organization of Jamaica (PSOJ), a council member of the Institute of Chartered Accountants of Jamaica, and a member of the Public Accountancy Board. Mr. Cohen holds a B.Sc. in Accounting from the University of the West Indies. He is a Fellow of the Institute of Chartered Accountants of England and Wales and a member of the Institute of Chartered Accountants of Jamaica.



**Mr. Frederick Williams**  
FCCA

Mr. Frederick Williams was appointed VM Group Chief Financial Officer on January 1, 2025. He is a results-focused Chartered Accountant with more than 25 years' experience in the financial services sector.

In addition to leading the finance function for large financial institutions, Frederick has particular expertise in transforming businesses through the use of data analytics to enhance timely decision-making. He is well regarded for his sound business acumen demonstrated in his leadership of several change management initiatives and business reorganisations to achieve strategic priorities and increase enterprise value.

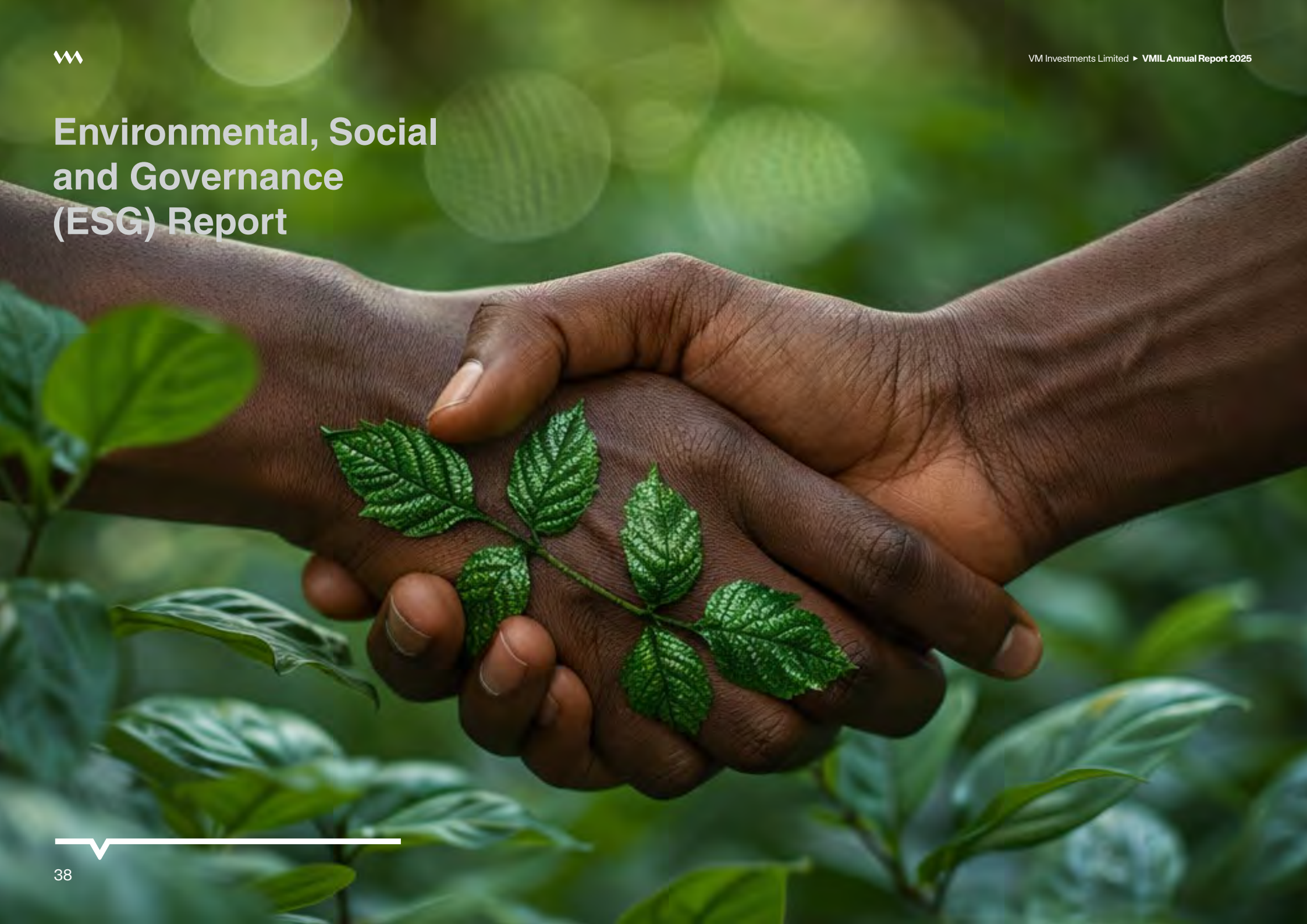
Frederick previously held the position of Vice President, Strategy and Transactions at Ernst & Young Services Limited serving as a consultant for clients in the public and private sectors across the Caribbean. Prior to that, he held other Senior Executive roles including Chief Executive Officer of Access Financial Services Limited and Vice President – Finance at Sagicor Group Jamaica Limited.

A significant portion of Frederick's career was spent at Scotiabank, where he held both local and regional roles to include: Vice President, Chief Financial Officer & Chief Administrative Officer; Vice President, Business Analytics and Strategy & Risk Management; and Chief Financial Officer & Compliance Officer at Scotia Insurance Caribbean Limited, Barbados.

Frederick is a Fellow of the Association of Chartered Certified Accountants, Member of the Institute of Chartered Accountants of Jamaica, and holds a BSc in Accounting from the University of the West Indies, Mona.



# Environmental, Social and Governance (ESG) Report



At VM Investments Limited, sustainable growth is built on a deliberate commitment to environmental stewardship, social impact, and disciplined governance — the foundations that enable resilience today and competitiveness tomorrow. Throughout 2025, ESG remained embedded within our operating framework, guiding how we deploy capital, engage stakeholders, and manage risk in an evolving economic landscape.

### Environmental Stewardship

VMIL retained its NEPA Green Business Certification during the year, reaffirming adherence to recognized environmental performance standards and responsible operational practices. This reflects a consistent commitment to environmental compliance and disciplined operational execution.

Recognizing the need to embed sustainability into core business strategy, the Company onboarded a Certified ESG Analyst (CESGA), strengthening internal capability and formalizing ESG integration across the organization. This enhancement supports improved monitoring, measurement,

and alignment of environmental considerations with long-term value creation.

In response to the impact of Category 5 Hurricane Melissa, VMIL, in partnership with the VM Foundation, supported community clean-up initiatives as part of national recovery efforts. These activities reflect a practical approach to environmental responsibility through restoration and rehabilitation of affected communities.

### Social Outreach

VMIL continues to believe that financial institutions play a critical role in enabling inclusive economic participation. During the year, the Company supported InvesTeen 2025, contributing to financial literacy and early investment engagement among Jamaican youth. The programme strengthened awareness of capital markets and reinforced the importance of long-term wealth creation.

The Company also supported a number of community and cultural initiatives, including the Royal Lodge Food Festival and the Downtown Kingston Art Walk. These partnerships reflect a broader commitment to strengthening social infrastructure and supporting sustainable community development.

Following the passage of Category 5 Hurricane Melissa, VM Wealth extended its support through an investor education webinar focused on the economic implications of the event. The session provided practical guidance on financial resilience, risk management, and navigating uncertainty, supporting individuals and stakeholders in making informed financial decisions during a period of disruption.

Employee engagement remained a key pillar of VMIL's social impact. Contributions to the VM Foundation totalled almost J\$500,000 in 2025, with 16 employees actively volunteering their time to support community initiatives.

Collectively, VM Foundation programmes impacted approximately 21,554 lives across the Group, reinforcing VMIL's commitment to meaningful and measurable social responsibility.



# (ESG) Report

Cont'd



**J\$500,000**  
Contributed by employees in 2025 to support the VM Foundation



**16**  
Employees volunteered their time



**21,554**  
Lives impacted through VM Foundation initiatives

COMMUNITY REACH  
Collective social impact

## Governance

### Board of Directors' Role and Oversight Responsibilities

The Board of Directors remained central to the Company's corporate governance framework, providing strategic direction, oversight, and stewardship in support of VMIL's long-term sustainability. Drawing on the breadth of experience and perspectives of its members, the Board promoted sound decision-making, accountability, and effective oversight across the organization.

The Board and its Committees operated under formal Charters, which were reviewed biennially. Performance against the responsibilities set out in those Charters was monitored by the Board on a quarterly basis. **In carrying out its mandate, the Board focused on a number of core responsibilities, including:**

- ▶ **Strategic Direction and Oversight** – overseeing the implementation of strategic and business plans, monitoring performance against approved objectives, and promoting accountability for delivery.
- ▶ **Governance and Regulatory Oversight** – keeping abreast of regulatory developments and evolving governance standards to support continued compliance and alignment with leading practices.
- ▶ **Subsidiary Oversight** – overseeing subsidiary entities to promote consistency in governance standards and alignment with the values and expectations of VMIL.
- ▶ **Management Oversight** – supervising management's conduct of the day-to-day business and ensuring that

management actions are grounded in appropriate governance and control practices.

- ▶ **Financial, Compliance and Control Oversight** – reviewing financial performance, compliance with applicable legal and regulatory obligations, and the adequacy of internal controls, while ensuring alignment with the Board-approved risk appetite.
- ▶ **Ethical Leadership and Culture** – fostering integrity, ethical conduct, and a values-based culture throughout the organization.
- ▶ **Risk and Performance Oversight** – monitoring key financial and operational indicators, assessing material risks, and overseeing management's response to changes in the internal and external operating environment.

### Directors' Commitment and Independence

Independence remained a fundamental pillar of the Board's governance framework. Independent Directors continued to comprise the majority of the Board, and the role of Chairman is held by a Non-Executive Director. **A Director is regarded as independent where he or she:**

- i. has not been employed by the VM Group within the preceding three years;
- ii. is free of any interest, position, association, or relationship that might influence, or reasonably be perceived to influence, the exercise of independent judgment in a material respect; and
- iii. is capable of acting in the best interests of VMIL and its shareholders generally.

## Board Composition

The Board continued to benefit from a broad mix of skills, experience, and sectoral perspectives, which support effective oversight and sound governance. As at December 31, 2025, the Board comprised twelve Directors, reflecting a number of changes to its composition during the year.

Director	Category	Appointment / Cessation Details
<b>Michael McMorris</b> (Chairman)	Independent	—
<b>Matthew Wright</b>	Independent	—
<b>Milton Samuda</b>	Independent	—
<b>Noel Hann</b>	Independent	—
<b>Phillip Silvera</b>	Independent	Directorship ended August 21, 2025
<b>Sandra Shirley-Auxilly</b>	Independent	—
<b>Vikram Dhiman</b>	Independent	—
<b>Maria Evelyne Robinson</b>	Independent	Appointed February 12, 2025
<b>Dennis Cohen</b>	Independent	Appointed October 1, 2025
<b>Courtney Campbell</b>	Executive	
<b>Frederick Williams</b>	Executive	Appointed March 24, 2025
<b>Rezworth Burchenson</b>	Executive	



The Company continued to make progress in strengthening gender diversity at the Board level. The Corporate Governance, Nominations and Compensation Committee remained focused on succession planning and on identifying candidates with the skills and experience required to meet the Board's evolving needs. This includes continued attention to achieving 30% female representation on the Board, in keeping with recognized leading practices.

## Board Member Expertise

The Board's collective skills and experience continued to align with the standards expected for effective Board performance and strong corporate governance. This depth of expertise supports the execution of the Company's strategy, the achievement of business objectives, and the continued resilience of VMIL. The Board's capabilities were applied across a range of areas relevant to the oversight of the business:

# (ESG) Report

Cont'd

	Michael McMorris	Milton J. Samuda	Noel Hann	Phillip Silvera	Sandra Shirley-Auxilly	Matthew Wright	Courtney Campbell	Rezworth Burchenson	Maria Robinson	Vikram Dhiman	Dennis Cohen	Frederick Williams
	BA	LL.B.	EJD, FAIA, MCMI	FCCA, FCA	MBA, BSc (Hons)	MPhil, MA, BA	MBA (Dist), ACIB	MBA, BSc (Hons)	BBA, CPA (NS), FCA	MBA, BSc	FCA, FCCA, BSc	FCCA
Auditing / Accounting			✓	✓	✓				✓	●	✓	✓
Marketing					●		✓	●				
Strategy Development & Execution	✓	●	✓	●	✓	●	✓	✓	✓	✓	✓	✓
Mergers & Acquisitions	●	✓	●			✓	✓	●		✓	✓	●
Entrepreneurship	✓				✓		✓			✓		
Regulatory / Legal	●	✓	✓	●	●				✓		●	
Finance / Economics	✓	●	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Enterprise Risk Management (ERM)			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Global Operations (International Markets)	●	✓			●	✓	✓	●	✓	✓	✓	●
ICT / Digital / Data Privacy & Protection		●	●		●		●			✓	●	✓
Innovation	●						✓	✓		●	●	✓
Talent Management					●		✓	●	✓		●	
Real Estate		●	●	●		✓		●		✓		
Environmental, Social & Governance		●	●		●	✓	✓	✓		●		
Diversity, Equity & Inclusion		✓			✓		✓	●				

Primary expertise    
 Secondary / relevant experience

### Succession Planning at the Governance Level

Succession planning at the governance level forms an important part of maintaining continuity, stability, and effective leadership. The Board therefore places emphasis on identifying and developing a pipeline of prospective directors capable of supporting the Company's future strategic direction and governance needs.

### Board Training and Development

The Company remained committed to the ongoing development of its Directors, recognizing that continuous learning strengthens governance effectiveness, supports sound decision-making, and enables the Board to respond effectively to changes in the business and regulatory landscape.

In 2025, a more deliberate approach was taken to Board training, with Directors being provided with a range of learning opportunities designed to broaden their knowledge and maintain currency in key areas. These included webinars, seminars, curated reading materials, and online training, allowing Directors to engage with emerging issues, regulatory developments, and good governance practices in a flexible and practical manner.

#### Director training during the year covered the following broad topic areas:

- ▶ Corporate Governance
- ▶ Digital Transformation
- ▶ Artificial Intelligence
- ▶ Corporate Strategy
- ▶ Cybersecurity

- ▶ Talent Management
- ▶ Diversity, Equity, and Inclusion
- ▶ Sustainability

Directors also participated in the UWI Mona/VM Group Distinguished Lecture, The Post-Melissa Climate: Why the Conversation Must Change, delivered by Professor Michael Taylor, Dean of the Faculty of Science and Technology at The University of the West Indies, Mona, on December 11, 2025.

### Directors' Compensation

Oversight of Directors' remuneration sits with the Corporate Governance, Nominations, and Compensation Committee, which was tasked with reviewing the Company's remuneration approach and approving any adjustments considered appropriate. In discharging this responsibility, the Committee seeks to ensure that compensation reflects the level of oversight, experience, and contribution expected of Directors, while remaining responsible and aligned with good governance practice.

For the financial year, total fees paid to Directors amounted to \$29,594,000, representing an increase of 17.2% over the prior

Board Remuneration Fee Rates		
Position	Annual Retainer	Per Meeting Fee
Chairman	\$1,610,000.00	\$41,666.25
Director	\$644,000.00	\$41,666.25
Audit Committee Chair	\$560,000.00	\$41,666.25
Other Committee Chair	\$280,000.00	41,666.25

year's figure of \$25,251,000. The higher outturn was driven by an increase in the number of meetings convened during the year, as Directors receive both a retainer and meeting-based fees under the approved compensation framework.

### Other Elements of Directors' Remuneration

The Company does not grant share options, profit participation, or performance-linked incentives to Directors. Directors may, however, be reimbursed for travel expenses reasonably incurred in attending Board meetings or other Company-related functions in person. This approach ensures that participation in governance activities does not impose a personal financial burden on Directors.

### Regulatory Compliance

Compliance oversight was supported by the Enterprise Risk Management (ERM) Framework, which assists the Company in monitoring Key Risk Indicators and maintaining visibility over material risks across the business. Oversight of this framework rests with the Board, with support from the Group Chief Legal & Compliance Officer and Corporate Secretary. Through this structure, the Company monitored its regulatory obligations, maintains engagement with regulators, addresses regulatory requests, considers proposed changes in the legal and regulatory environment, and evaluates the potential implications of those developments for the business.

# (ESG) Report

Cont'd

## Board Meetings and Attendance

The Board maintained an active programme of oversight throughout 2025. Directors continued to engage consistently in Board proceedings, with preparation and participation aimed at ensuring that matters before the Board were considered with due care and informed judgment. This sustained level of involvement contributed to the quality of Board deliberations and the strength of the Company's governance processes.

A total of ten (10) Board meetings were held during the year. Members of Executive Management attended as required to present reports, respond to questions, and provide accountability for the performance and activities of the business.

Independent Directors	No. Of Meetings Attended
Mr. Michael McMorris - Chair	10/10
Mr. Matthew Wright	10/10
Mr. Milton Samuda	10/10
Mr. Noel Hann	10/10
Mr. Phillip Silvera*	6/6
Mrs. Sandra Shirley-Auxilly	10/10
Mr. Vikram Dhiman	9/10
Mrs. Maria Evelyn-Robinson*	7/9
Mr. Dennis Cohen*	3/3

\*Phillip Silvera – directorship ended August 21, 2025  
 Maria Evelyn Robinson appointed to the Board on February 12, 2025  
 Dennis Cohen appointed to the Board on October 1, 2025

Executive Directors	No. Of Meetings Attended
Mr. Courtney Campbell	9/10
Mr. Frederick Williams*	9/9
Mr. Rezworth Burchenson	10/10

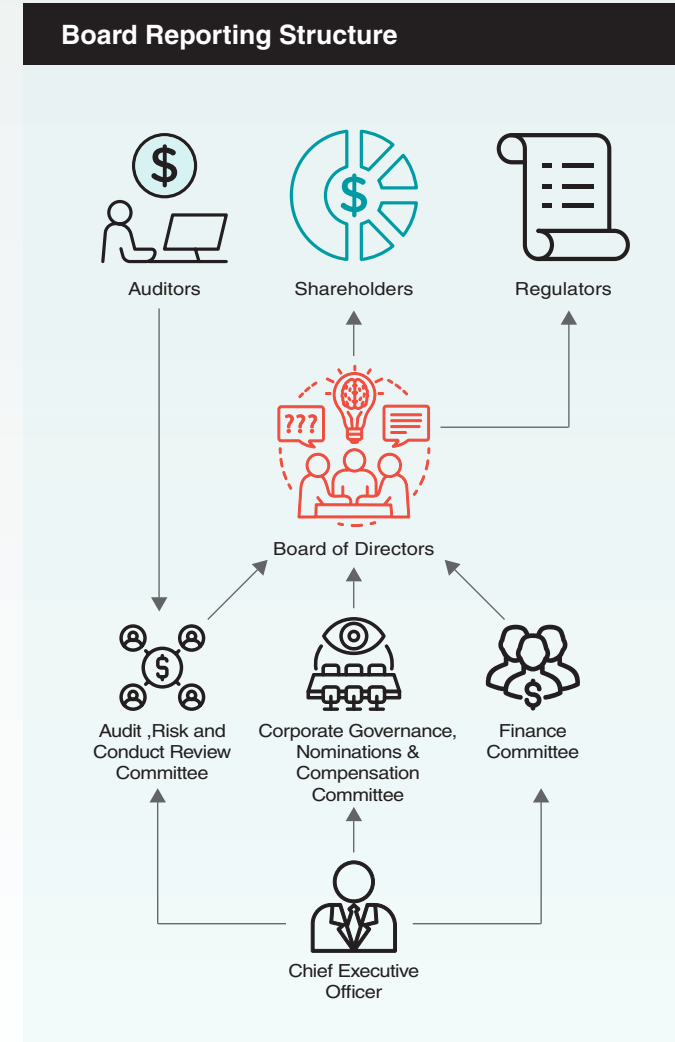
\*Frederick Williams appointed to the Board on March 24, 2025

## Board Evaluation and Continuous Improvement

The Board's effectiveness was assessed through a formal evaluation process facilitated by an independent external consultant. That process provides a structured basis for reviewing Board performance, identifying opportunities for improvement, and supporting continued development. The Board also uses its Performance Management Framework to highlight areas requiring further attention and to guide enhancement efforts.

Between August and September 2025, the Board completed a self-assessment of its performance and effectiveness. The exercise was facilitated by Dr. Trevor Little, Executive Chairman of the Centre for Leadership Development Jamaica Limited, and was conducted using a survey instrument comprising both targeted and open-ended questions. Directors were invited to share observations and recommendations, which were subsequently considered by both the Corporate Governance, Nominations, and Compensation Committee and the full Board. This review informed a number of improvement actions. The Board has continued to place emphasis on improving the efficiency of its operations and the quality of Board and Committee reporting, with particular focus on ensuring that information presented to Directors is concise, decision-useful, and supportive of management accountability.

## Board Reporting Structure



To assist in the discharge of its responsibilities, the Board has established three Committees:

- ▶ **Audit, Risk and Conduct Review Committee**
- ▶ **Corporate Governance, Nominations and Compensation Committee**
- ▶ **Finance Committee**

These Committees were composed of Independent Directors and support the Board through focused oversight in their respective areas of responsibility. Each Committee operated under a Board-approved Charter that sets out its mandate, authority, and key duties. In carrying out their functions, the Board and its Committees have unrestricted access to Management and the information necessary to enable proper consideration of matters requiring attention.

**Audit, Risk and Conduct Review Committee**

The Audit, Risk and Conduct Review Committee supports the Board in overseeing the integrity of financial reporting, the effectiveness of internal controls, the audit process, risk management arrangements, and compliance-related matters. Acting under its Charter, the Committee reviews Management Accounts and Audited Financial Statements and engages with the External Auditors in relation to the adequacy of controls and the broader control environment. The direct reporting line of the Internal Auditor and External Auditors to the Committee supports their independence and reinforces objective oversight.

The Committee also has an important role in promoting transparency and protecting shareholder interests through oversight of disclosure, financial discipline, and control standards. In addition, it oversees the application of the ERM Framework, which supports the identification and management of risks that may affect the Company’s resilience, sustainability, and performance.

**Its oversight during the year extended to matters such as:**

- ▶ the integrity of financial reporting and disclosures;
- ▶ the effectiveness of internal controls and audit findings;
- ▶ the performance and independence of the Shareholders’ Auditors;
- ▶ significant matters arising in the audit process;
- ▶ compliance with the framework governing related party transactions;
- ▶ the adequacy of financial and regulatory disclosure practices;
- ▶ the effectiveness of the ERM Framework in identifying and addressing key risks;
- ▶ the Company’s risk governance arrangements and risk appetite; and
- ▶ adherence to approved risk management policies and protocols.

Following each meeting, the Committee reports to the Board on the matters it has considered, together with any decisions taken or directions issued to Management.



**VMIL Audit, Risk and Conduct Review Committee**

Committee Members	Number of meetings attended
Mr. Phillip Silvera *	5/6
Mrs. Sandra Shirley-Auxilly	11/11
Mr. Noel Hann	11/11
Mr. Vikram Dhiman - Acting Chair	10/11
Mrs. Maria Evelyn-Robinson*	5/5

\*Phillip Silvera is no longer ARCR Committee Chair/Member effective May 14, 2025  
 \*Maria Evelyn-Robinson was appointed to the ARCR Committee effective May 14, 2025

# (ESG) Report

Cont'd

## Corporate Governance, Nominations and Compensation Committee

The Corporate Governance, Nominations and Compensation Committee was responsible for matters relating to Board and governance effectiveness, succession planning, remuneration oversight, and broader governance alignment across the Company and its subsidiaries. Its remit also extends to ESG oversight and corporate social responsibility matters. The Committee operates under a Board-approved Charter and supports accountability to both shareholders and other stakeholders.

### Among its principal responsibilities are oversight of:

- ▶ Board evaluation processes and governance reviews;
- ▶ Board composition, succession planning, and the identification of prospective Directors;
- ▶ Director induction, development, and performance assessment;
- ▶ remuneration for Directors;
- ▶ ESG oversight and corporate social responsibility initiatives;
- ▶ governance consistency across subsidiary entities;
- ▶ talent development and succession planning at management level;
- ▶ appointments of the CEO and Senior Management; and human resource strategies that support the Company's long-term performance.

During 2025, the Committee contributed to the enhancement of the governance framework by reviewing and approving updates to important governance documents, including the Corporate Governance Framework and the relevant Committee Charter. It also reviewed the outcomes of the Board Evaluation, the Skills Matrix supporting succession

planning at both Board and Management levels, and the Company's approach to transparency and disclosure. Further, the Committee maintained oversight of Investor Relations and ESG reporting, engaged an external consultant to facilitate the Board evaluation process, and considered initiatives aimed at strengthening Board effectiveness, including targeted training for Directors.

## VMIL Corporate Governance & Nominations Committee

Committee Members	Number of meetings attended
Mr. Milton Samuda - Chair	4/4
Mr. Michael McMorris	4/4
Mrs. Sandra Shirley-Auxilly	4/4

## Finance Committee

The Finance Committee supports the Board in overseeing the Company's capital framework and ensuring that capital-related risks are appropriately managed. Operating under its Charter, the Committee reviews investment opportunities, considers capital decisions within the context of the Board-approved risk appetite, and approves key financial policies intended to support financial soundness and strategic execution.

### Over the course of the year, the Committee's work included:

- ▶ oversight and approval of the Capital Management Policy and related implementation plan;
- ▶ approval of transactions undertaken in support of strategic capital objectives;
- ▶ review and approval of major transactions and monitoring of credit exposures;

- ▶ consideration of brokerage and arranger transactions falling within its remit in relation to the subsidiary;
- ▶ assessment and approval of transactions intended to support VMIL's growth objectives; and
- ▶ approval of policies dealing with capital and liquidity management, together with oversight of the associated monitoring and reporting of key indicators.

## VMIL Finance Committee

Committee Members	Number of meetings attended
Mr. Matthew Wright - Chair	15/15
Mr. Michael McMorris	15/15
Mr. Phillip Silvera*	7/8
Mr. Noel Hann	11/15
Mr. Dennis Cohen*	4/4

\*Phillip Silvera – Finance Committee membership ended August 21, 2025  
 \*Dennis Cohen was appointed to the Finance Committee on October 1, 2025

## Directors' Code of Business Conduct and Ethics

The Code of Business Conduct and Ethics remained an important part of VMIL's corporate governance framework, reinforcing the standards of integrity, accountability, and fiduciary responsibility expected of Directors. It establishes the ethical principles that guide conduct at the Board level and supports sound judgment in the discharge of Directors' duties.

The Code sets out the standards expected in relation to conflicts of interest, fair dealing, securities trading, the protection and proper use of corporate assets, the handling of sensitive information, and compliance with applicable laws, rules, and regulations. Through these principles, the

Code supports the responsible exercise of authority and helps to safeguard the integrity of the Company's governance processes.

More broadly, the Code of Business Ethics and Conduct forms a core part of VMIL's governance architecture and is supported by the Company's wider framework of policies, values, and internal processes. Together, these measures help to embed a culture of ethical conduct and responsible decision-making across the organization.

**Among other things, the Code is intended to address and mitigate risks associated with:**

- ▶ conflicts of interest;
- ▶ fair dealing;
- ▶ securities trading;
- ▶ the improper handling of sensitive information; misappropriation;
- ▶ the protection and proper use of corporate assets; and non-compliance with laws, rules, and regulations.

In addition to promoting high standards of behaviour internally, the Code also helps to position VMIL as a responsible corporate citizen and business partner. It provides clear guidance to Directors, employees, and agents across the Group, supporting alignment with good governance standards and accepted business practices.

**Diversity, Equity and Inclusion at VMIL**

As part of the VM Group, VMIL seeks to foster an environment in which diversity, equity, and inclusion are reflected in its engagement with Team Members, Clients, and Business Partners. The Company remains committed to ensuring that persons interacting within the VMIL environment are treated

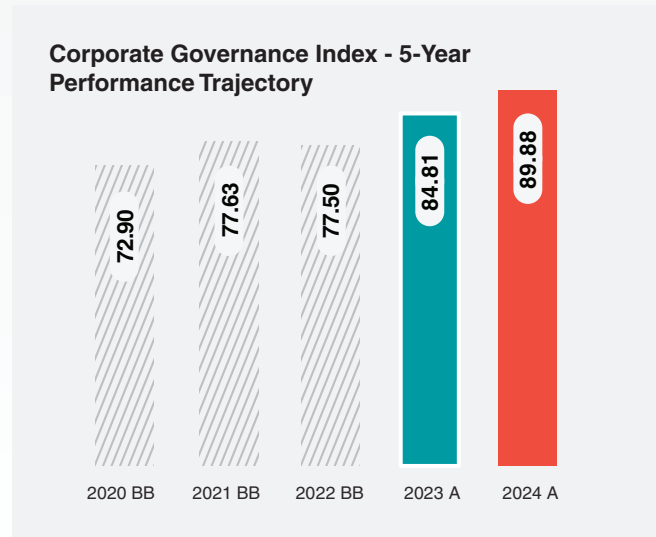
with respect, dignity, and fairness, and that inclusion is supported through appropriate policies and operational practices.

**Leadership Diversity**

During 2025, continued attention was given to strengthening diversity within leadership and at the governance level. The Company recognises that a range of perspectives, informed by differing backgrounds, experience, and expertise, contributes to stronger discussion, better decision-making, and improved outcomes.

**Corporate Governance Index**

A strong governance culture continues to be central to VMIL's operations. The Company places significant importance on



maintaining governance standards that are aligned with evolving and leading practices, while also meeting, and where appropriate exceeding, applicable legal and regulatory requirements.

VMIL was rated A by the Jamaica Stock Exchange through the Corporate Governance Index Review Committee, achieving a score of 89.88. This independent assessment considers the extent to which listed companies demonstrate adherence to key corporate governance principles, including:

- ▶ shareholders' rights;
- ▶ equitable treatment of shareholders;
- ▶ the role of stakeholders;
- ▶ disclosure and transparency;
- ▶ responsibilities of the Board; and
- ▶ JSE requirements.

The Board continues to review and consider these rating criteria as part of its ongoing focus on governance enhancement and continuous improvement.

**Employee Share Option Scheme**

VMIL does not currently operate an employee share option scheme. While the Company acknowledges the potential value of such arrangements, no such scheme has been introduced to date. The Company nevertheless continues to review its broader compensation and incentive structures to ensure that they remain aligned with strategic priorities and support the development of an engaged and productive workforce.



# Our Policies, Frameworks & Guidelines



VMIL has established a comprehensive suite of policies, frameworks, and guidelines that align with regulatory requirements, industry best practices, and the strategic priorities of the wider VM Group. These guiding documents shape how we engage with stakeholders, safeguard client interests, manage capital and liquidity, maintain operational continuity, and uphold prudent risk management standards.

Together, these policies strengthen our internal control environment, promote ethical and responsible behaviour, and enable consistent, disciplined decision-making at every level of the organization.

**The following are a list of Policy and Guideline documents that supports our governance framework:**

- ▶ Stakeholder Engagement Policy
- ▶ Dividend Policy
- ▶ VM Wealth Funds Dividend Policy
- ▶ Corporate Governance Policy
- ▶ Internal Controls Policy
- ▶ Operational Risk Events Policy
- ▶ Capital Management Policy
- ▶ Liquidity Risk Management Policy
- ▶ Credit Policy
- ▶ Risk Management Policy for Collective Investment Scheme
- ▶ Conflict of Interest Policy for Collective Investment Scheme
- ▶ Business Continuity Plan

**VMIL is also supported by the following VM Group Policies:**

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

- ▶ Enterprise Risk Management (ERM) Policy
- ▶ Securities Trading Policy
- ▶ Related Party Investment Policy
- ▶ The Code of Business Ethics and Conduct
- ▶ Remote Work & Flexi Work Arrangements Guidelines
- ▶ Electronic Communication Policy
- ▶ Information Security Policy
- ▶ Whistle Blower Policy
- ▶ Diversity, Equity & Inclusion Policy
- ▶ Environmental, Social and Governance (ESG) Policy
- ▶ Occupational Safety and Health Policy
- ▶ Fraud Policy

**The following Charters are available on our website:**

- ▶ [VMIL](#) – Audit Risk Conduct Review Committee Charter
- ▶ [VMIL](#) – Corporate Governance, Nominations and Compensation Committee Charter
- ▶ [VMIL](#) – Finance Committee Charter

**Stakeholder Engagement Policy**

Stakeholder engagement at VMIL has evolved into a continuous, year-round dialogue, reinforcing our commitment to building trust and maintaining strong relationships in a dynamic and competitive environment. As part of our Future-Ready: Strengthening Foundations for Sustainable Growth approach, our Stakeholder Engagement Policy provides a structured and transparent framework to guide meaningful engagement, deepen stakeholder confidence, and support long-term value creation.



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

**Dividend Policy**

Since listing on the Jamaica Stock Exchange in December 2017, VMIL has maintained a disciplined dividend policy that balances shareholder returns with the need to retain sufficient capital to support future growth and strengthen the business. This policy provides a structured framework to guide the frequency and value of dividend payments, ensuring alignment with the Company’s long-term, future-ready strategy.



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

**VM Wealth Fund Dividend Policy**

VM Wealth Funds Limited, a Barbados-regulated mutual fund company managing three portfolios following VM Investments Limited’s acquisition and rebranding of Republic Funds (Barbados) Incorporated, operates under a Board-approved dividend policy that guides the declaration and distribution of dividends—including up to twice-yearly payments for the VM Wealth Income Fund—in alignment with financial, legal, and governance standards.

**Corporate Governance Policy**

VMIL is committed to upholding best practices in corporate governance, adhering to VM Group standards and guided by a robust Corporate Governance Policy that strengthens Board oversight, accountability, transparency, and sustainable business practices.



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

# Our Policies, Frameworks & Guidelines

Cont'd

## Internal Control Policy

VMIL's internal control framework establishes a consistent and robust approach to risk management, financial integrity, and regulatory compliance across the organisation, strengthening accountability, supporting sound decision-making, and reinforcing a resilient foundation for sustainable growth.

## Operational Risk Event Policy

VMIL recognises that operational risks are inherent in delivering financial services and manages these through a structured policy framework that supports the identification, monitoring, and mitigation of risks across people, processes, systems, and external events, reinforcing accountability, compliance, and operational resilience across the organisation.

## Capital & Liquidity Management Policy

This policy establishes a structured framework for managing capital adequacy and liquidity to support financial stability and ongoing business operations.

## Credit Policy

The Credit Policy provides a disciplined framework for loan origination, assessment, and monitoring, ensuring prudent risk management while supporting sustainable portfolio growth.

## Business Continuity Plan

The Business Continuity Plan outlines a coordinated approach to maintaining critical operations and ensuring

timely recovery in the event of disruptions or unforeseen incidents.

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

This policy establishes robust systems and controls to prevent, detect, and report financial crimes, ensuring compliance with all applicable regulatory requirements.

## Enterprise Risk Management (ERM) Policy

The ERM Policy defines a structured approach to identifying, assessing, and managing risks to support informed decision-making and value preservation.

## Securities Trading Policy

This policy governs securities transactions to ensure compliance with regulatory requirements and uphold integrity, transparency, and market conduct standards.

## Related Party Investment Policy

The policy provides guidelines for managing related party transactions, ensuring transparency, compliance, and adherence to established governance standards.

## Code of Business Ethics and Conduct

The Code outlines the ethical principles and standards that guide conduct across the organisation, promoting integrity, accountability, and responsible business practices.



An excerpt of this policy is available on our website: <https://vmil.myvmgroup.com/policy-resources/>

## Remote Work & Flexible Work Arrangements Guidelines

These guidelines establish a structured approach to remote and flexible work arrangements, supporting productivity, accountability, and operational efficiency.

## Electronic Communication Policy

This policy governs the appropriate and secure use of electronic communication, ensuring confidentiality, compliance, and responsible information handling.

## Information Security Policy

The Information Security Policy provides a framework for protecting data and information systems, ensuring the confidentiality, integrity, and availability of information assets.

## Whistle Blower Policy

This policy provides a confidential mechanism for reporting concerns, ensuring protection for individuals and supporting ethical conduct and accountability.



An excerpt of this policy is available on our website: <https://vmil.myvmgroup.com/policy-resources/>

## Diversity, Equity & Inclusion Policy

The policy promotes an inclusive and equitable workplace that values diversity and supports equal opportunity and participation across the organisation.



An excerpt of this policy is available on our website: <https://vmil.myvmgroup.com/policy-resources/>

### Environmental, Social and Governance (ESG) Policy

This policy guides the integration of environmental, social, and governance considerations into business practices to support responsible and sustainable operations.



**An excerpt of this policy is available on our website:**  
<https://vmil.myvmgroup.com/policy-resources/>

### Occupational Safety and Health Policy

The policy establishes standards and practices to ensure a safe and healthy work environment for all stakeholders.

### Fraud Policy

This policy outlines the framework for preventing, detecting, and responding to fraud, reinforcing accountability and a zero-tolerance approach to misconduct.

### Articles of Incorporation & Amendments

The Articles of Incorporation define the Company's governance structure and operating framework, supporting compliance with legal and regulatory requirements.



**Available on our website:**  
<https://vmil.myvmgroup.com/policy-resources/>

### Conclusion

As VMIL expands its regional footprint and deepens ecosystem partnerships across the Caribbean, ESG remains fully integrated into our growth model. Sustainable practices, social responsibility, and governance excellence are not parallel initiatives — they are foundational pillars supporting resilience, competitiveness, and long-term value creation.

By strengthening these foundations, VMIL continues to position itself as a future-ready organisation, disciplined in governance, responsible in impact, and committed to sustainable growth.



# Shareholdings

## Shareholdings for VMIL's Top Ten Largest Shareholders at December 31, 2025

NAME	Total Shares Held as at December 31, 2025
VM Financial Group Limited	1,200,020,000
PAM – University Hospital Scheme of Pensions	7,560,600
Rezworth Burchenson & Valerie Burchenson	6,462,901
Sagicor Select Funds Limited (Class B' Shares) Financial	6,135,970
Michael A. McMorris & Christine McMorris	5,055,667
VM Wealth Equity Fund	4,791,347
Rickardo Ebanks & Alda Ebanks	4,637,221
Geoffrey Forde	4,500,000
Tyrone Richards	4,433,789
PAM – Pooled Equity Fund	3,673,648

## Shareholdings for VMIL Senior Managers/Connected Parties as at December 31, 2025

NAME	Shareholdings as at December 31, 2025
Valerie Burchenson / Rezworth Burchenson	249,952
Rachelle Burchenson / Rezworth Burchenson	75,000
Rezworth Burchenson	6,462,901
Oswald Burchenson / Rezworth Burchenson	212,147
<b>COMBINED HOLDINGS: 7,000,000</b>	
Denise Marshall-Miller	25,000
Denise Marshall-Miller	850,000
Denise Marshall-Miller/Azania Miller	25,000
Denise Marshall Miller/Akil Parchment	0
<b>COMBINED HOLDINGS: 900,000</b>	
Evette M. Bryan	258,000
Evette M. Bryan / Shullette Cox	0
<b>COMBINED HOLDINGS: 258,000</b>	
Allison Mais	200,000
Dwight Jackson	0
Brian Frazer	0
Christine Benjamin	0
Stuart Andrade / Camesia Andrade	0
Sitarah Smith	0
Strycen Williams	0

## Shareholdings for VMIL Directors/Connected Parties as at December 31, 2025

NAME	Shareholdings as at December 31, 2025
Rezworth Burchenson/Valerie Burchenson/Rachelle Burchenson/Oswald Burchenson	7,000,000
Michael A. McMorris/Christine McMorris	5,055,667
Courtney Campbell/Pauline Campbell/Dominic Campbell/Adrian Campbell	1,832,826
Matthew Gray Wright	677,252
Sandra Shirley	413,809
Noel Hann	150,000
Milton Samuda	103,646
Maria Evelyn-Robinson	0
Frederick A. Williams	0
Vikram Dhiman	0
Dennis Cohen	0

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# Leadership Team

The Management Team provides disciplined oversight, governance, and performance leadership – working collaboratively to build a world-class financial ecosystem and enhance shareholder value through international standards and best practices.



**Mr. Rezworth Burchenson**

MBA, BSc  
Chief Executive Officer



**Mr. Brian Frazer**

BSc, CFA  
Deputy Chief Executive Officer



**Ms. Allison Mais**

FMVA, Prosci, CSPO, PMP, MSc, BSc  
Chief Operating Officer



**Mrs. Evette Bryan**

MBA, BSc  
AVP, Treasury Operations & Brokerage Services



**Mr. Sean Yearwood**

MSc, BSc  
Country Head, VM Wealth Management – Barbados Office



**Mr. Dwight Jackson**

MSc, BSc  
Assistant Vice President, Capital Markets



**Mrs. Karlene Waugh**

BSc  
Assistant Vice President, Operations

# Leadership Team

Cont'd



**Mr. Stuart Andrade**

FCA  
Assistant Vice President, Finance



**Mrs. Denise Marshall-Miller**

MBA, BBA (Hons.)  
Assistant Vice President – Global Markets and Digital Asset Trading



**Ms. Christine Benjamin**

MBA, BSc  
Head, Sales & Client Relations



**Ms. Sitarah Smith**

BSc  
Assistant Vice President, Treasury,  
Asset Management & Structured Investments



**Mr. Bob Russell**

CFA, FRM, BSc,  
Head - Asset Management



**Mr. Rezworth Burchenson**

MBA, BSc (Hons)  
Chief Executive Officer

Rezworth Burchenson is a Senior Vice President and CEO of VM Investments Limited and our subsidiary, VM Wealth Management (VMWM). Rezworth was appointed CEO of VMIL and VMWM in January 2019 after a successful tenure as Deputy CEO of both businesses and CEO of VM Pensions Management Limited. He is a purpose-driven leader with an impressive record of success in the financial services industry. Before joining the VM Group, Rezworth had provided transformative leadership in senior roles including CEO of Prime Asset Management Ltd and Vice President and General Manager of Pan Caribbean Asset Management Ltd, with principal responsibility for managing Jamaica's largest unit trust (Sigma Unit Trust). Rezworth is well regarded by his industry peers, his team members, and clients, and has received accolades for his contribution to the local financial landscape. In 2012, he was named among the Private Sector Organization of Jamaica's (PSOJ) exclusive '50 Under Fifty' in the field of investments and finance. His contribution to the sector also includes serving on the PSOJ's Economic Policy Committee and as a member of the Jamaica Stock Exchange (JSE) Best Practices Committee. He has also served as a Director of: National Road Operating and Constructing Company (NROCC), National Education Trust Ltd (NET), Human Resource Management Association of Jamaica, and Pension Industry Association of Jamaica (PIAJ).

Currently, he is a Board Member of Kingston Properties Ltd and serves on their Investment and Audit Committees. A Barclays Bank Scholar while at the University of the West Indies, he earned a Bachelor's Degree in Economics (Hons) and an MBA in Banking and Finance (Hons). He also received leadership training at: The Wharton School, Aresty Institute of Executive Education Advanced Management Programme (AMP 194) at Harvard Business School Palladium's Kaplan-Norton Strategy Execution Boot Camp. Rezworth believes strongly in purposeful work and is driven to improve financial inclusion and wellbeing among Jamaicans at home and abroad.



**Mr. Brian Frazer**

BSc, CFA  
Deputy Chief Executive Officer

Brian Frazer is Deputy Chief Executive Officer of VM Investments Limited and VM Wealth Management Limited and Chief Treasury Officer of VM Financial Group Limited. In his role as Deputy Chief Executive Officer, Brian is responsible for our Treasury, Trading and Asset Management divisions. In addition to being responsible for the primary revenue lines, he also supports the Chief Executive Officer with providing oversight over our fiduciary, financial and operating performance and formulating and executing strategies to grow our business.

Brian has over 20 years of senior management experience in the financial services industry and has vast experience

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

Brian earned his undergraduate degree in Accounting and Economics at The University of the West Indies (Mona) and has received professional training in accounting, asset/liability management, and risk management both locally and overseas. Brian is a Chartered Financial Analyst (CFA) Charterholder and is a member of the CFA Institute. He is the founding President of CFA Society Jamaica and served as a Director and the Chair of the Membership Committee of the Pension Industry Association of Jamaica. Brian was a member of the Advisory Council responsible for establishing the Caribbean Alternative Investments Association (CARAIA) and was a founding board member. Brian serves as Chair of the Board of VM Wealth Funds Limited, sits on the Board of VM Pensions Management Limited, and is also a member of its Investment Committee. He currently serves on the Audit Committee of the Ministry of Finance and the Public Service (Government of Jamaica) and the PSOJ Economic Policy Committee, and previously held the position of Managing Director at Scotia Investments Trinidad and Tobago Limited.

# Leadership Team

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**Ms. Allison Mais**  
 FMVA, Prosci, CSPO, PMP, MSc, BSc  
 Chief Operating Officer

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

As the Chief Operating Officer at VMWM & VMIL, Allison is responsible for Business and Digital Transformation, Compliance, Research and Business Planning, Corporate Governance and Investor Relations, Client Experience and Business Processes & Quality Assurance functions. She is also a member of the Board of Directors for VM Wealth Funds, Barbados. Prior to joining VMIL, during her tenure with the GraceKennedy (GK) Corporate Office, Allison led the development and management of the GK Group's strategic plan, orchestrated the planning process, led the GK 2030 strategy, monitored their competitive positioning for Foods & Financial Services, and led the corporate planning and business intelligence functions.

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

Allison holds a bachelor's and master's degree and her commitment to professional development is evidenced by certifications from Wharton, Columbia Business Schools, and the Universities of Boston and Virginia. Furthermore, she holds certifications in Change

Management, Project Management, Agile Leadership, Financial Modelling & Valuation Analysis and Environmental Social & Governance (ESG), reflecting her dedication to staying at the forefront of industry best practices.

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



**Mrs. Evette Bryan**  
 MBA, BSc  
 AVP, Treasury Operations  
 & Brokerage Services

Mrs. Evette Bryan is a senior financial services executive with over 30 years of experience in banking and finance, with deep expertise in treasury operations, liquidity management, risk management, and brokerage services.

As AVP, Treasury Operations & Brokerage Services at VM Wealth Management Limited, Mrs. Bryan supports the Treasury function through operational optimisation, process automation, and strengthened brokerage and treasury support services. Her role contributes to the continued evolution of VM Investments Limited and VM Wealth Management Limited as lean, technology-enabled organisations focused on efficiency and operational resilience. Mrs. Bryan joined VM Wealth Management Limited in 2001 and has held progressively senior roles across Treasury and Trading, including Manager, Treasury and Trading, Senior Manager, Treasury, and AVP, Treasury

and Asset Management. She has consistently demonstrated strong leadership in capital and risk management and operational execution. In her current role, she has led the automation of key treasury and brokerage processes and refreshed core operational frameworks, delivering improved efficiency and control.

Mrs. Bryan also plays an active mentoring role within the organisation and previously served as a member of the Fitz-Ritson and Associates teaching faculty, contributing to professional development within the financial services sector. She holds an MBA in Banking and Finance from the Mona School of Business, University of the West Indies, and has completed professional training in leadership, enterprise risk management, strategic financial management, and portfolio management from leading institutions, including Harvard Business School.



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

Sean is the Country Head of the Barbados Office of VM Wealth Management Limited. He has accumulated more than 17 years of experience in the financial services industry, having started his career as an Investment Administrator and quickly progressing into senior management and executive roles. Among the positions he has held are Investment Manager, Head of Treasury and Investments, and Assistant Vice President, Asset Management. Sean holds a Bachelor of Science degree in Economics and Management and a Master of Science in Investments and Wealth Management. Over the course of his career,

he has worked across international business banking, local merchant banking, and insurance in Barbados. His experience includes managing high-net-worth and corporate investment portfolios, mutual funds, treasury portfolios, foreign exchange desks, pension portfolios, and statutory insurance portfolios.

Sean's passion for finance, engaging personality, adaptability, and entrepreneurial mindset have made him a respected leader in the Barbados financial services sector. In 2025, he became a Director of the Barbados Stock Exchange Group and a member of its Investment Committee.

Outside of finance, Sean is a Certified Personal Development and Executive Coach. His passion for coaching extends beyond the professional setting, as he is also an internationally certified volleyball coach, working with both club and secondary school volleyball teams.



**Mr. Dwight Jackson**  
 MSc, BSc  
 Assistant Vice President,  
 Capital Markets

Mr. Dwight Jackson joined the VM Wealth Management Limited team in February 2021 as Assistant Vice President, Capital Markets to develop and implement strategies aimed at growing VMWM's and VMIL's market share locally and regionally. Dwight has more than 10 years of combined experience in the financial industry spanning investment banking, commercial banking, central banking, risk management, model building and research.

His most recent prior assignment was in the role of Manager, Origination & Structuring – Investment

Banking Unit at NCB Capital Markets. While there, he was instrumental in originating, structuring, arranging, brokering, underwriting, and listing some of the largest initial public offerings (IPOs) and public offerings of shares in Jamaica's history.

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

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

When he is not making big moves in the world of finance, Dwight enjoys watching, playing, and talking about football. He is also an avid runner and cyclist.



**Mrs. Karlene Waugh**  
BSc  
Assistant Vice President,  
Operations

Mrs. Karlene Waugh played a key role in aligning business objectives with products, processes, and technology, driving operational efficiency, standardisation, and automation, while ensuring strong internal controls. With over 20 years of experience in the financial services industry, she brought deep expertise in operations and process improvement, supported by a BSc. in Management Studies and professional certifications

including Lean Six Sigma Green Belt. She served as Assistant Vice President, Operations until 20 March 2025



**Mr. Stuart Andrade**  
FCA  
Assistant Vice President,  
Finance

Stuart Andrade is an accomplished finance executive with over 20 years of experience in financial management, treasury, strategic planning, and regulatory reporting within the financial services industry. As Assistant Vice President, Finance at VM Investments Limited and VM Wealth Management Limited, he provides strategic oversight of the Group's financial operations, including financial reporting, budgeting, forecasting, and regulatory compliance.

In his role, Stuart is responsible for delivering timely and accurate financial insights to support executive decision-making and Board oversight, while ensuring alignment with the Company's strategic objectives and regulatory requirements. He plays a critical role in strengthening financial governance, enhancing operational efficiency, and driving initiatives that support sustainable growth and shareholder value. Prior to joining VMIL, Stuart served as Chief Financial Officer at General Accident Insurance Company Jamaica Limited and previously at Key Insurance Company Limited under the GraceKennedy Financial Group. Across these roles, he led financial transformation initiatives, strengthened internal controls, and played a key role in improving financial performance and operational resilience. Notably, he contributed to the turnaround of Key Insurance from loss-making to sustained profitability. Stuart's career also includes senior roles at GK Capital Management Limited and within the GraceKennedy

Group's insurance segment, where he gained extensive experience in financial reporting, audit, treasury management, and strategic financial planning.

He is a Fellow at the Institute of Chartered Accountants of Jamaica and brings a disciplined, analytical, and results-driven approach to financial leadership, with a strong focus on value creation and risk management.



**Mrs. Denise Marshall-Miller**  
MBA, BBA (Hons.)  
Assistant Vice President –Global  
Markets and Digital Asset Trading

Mrs. Denise Marshall-Miller joined the VM Wealth Management Limited team as Manager—Bond Trading in February 2011 with a mandate to facilitate the growth of bond trading revenue by providing internal and external clients with diversified bond options. Towards this end, she has focused on building and expanding trading relationships with overseas counterparts, providing guidance to the Bond Trading Team and deepening relations with VM Wealth Management clients.

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

Denise has over two decades of experience in the Finance Industry and has built a strong record of accomplishment as a successful Investment Manager. She consistently demonstrates her expertise in deal structuring, Treasury Management, Bond & Equity trading, portfolio management, deal structuring, and business development.

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

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

# Leadership Team

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

Christine joined the VM Group on January 19, 2023, as Head Sales and Client Relations at VM Wealth Management Limited. Christine provides oversight of VMWM's Sales and Client Relations operations.

As a seasoned investment professional with over 10 years of experience in investment banking and business development, she has honed her craft with some of the most established firms in the industry.

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

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



**Ms. Sitarah Smith**  
BSc  
Assistant Vice President,  
Treasury, Asset Management  
& Structured Investments

Sitarah Smith serves as Assistant Vice President – Treasury, Asset Management & Structured Investments, reporting to the Deputy CEO (VMIL/VMWM). She leads the unit's integrated mandate covering funding strategy, asset-liability management, and the development of structured investment solutions that enhance VM's product suite and support growth across regional and international markets.

With more than 15 years of experience in banking and investments, Sitarah is recognised for her depth in structured products, market strategy, and risk management. Her experience spans roles such as Assistant Vice President, Treasury & Trading at Scotia Investments Jamaica Limited, and Executive Vice President & Chief Investment Officer at an alternative-investment group, as well as leadership in treasury at Mayberry Investments Limited. Across these positions, she has built a strong track record in disciplined execution and product development, with exposure extending across Jamaica, The Bahamas, Cayman, Belize, and the wider Caribbean.

Her technical foundation is grounded in mathematics and economics, supporting the analytical discipline that characterises her approach to financial markets.

In her current role at VM, Sitarah is focused on strengthening the organisation's investment capabilities through the expansion of structured-solutions offerings, enhancing funding and asset-liability management discipline, and supporting performance across proprietary portfolios. Her mandate centers on delivering practical, client-aligned investment structures that reinforce spreads, drive AUM growth, and contribute to VM's long-term financial resilience.



**Mr. Bob Russell**  
CFA, FRM, BSc,  
Head - Asset Management

Bob Russell is an industry professional with over 20 years in the Financial Services Industry. A trained engineer with a BSc in Civil Engineering, Mr. Russell has numerous industry related credentials. He has obtained a MBA from the McCombs's School of Business from the University of Texas at Austin with a concentration in Finance. In addition to this he has completed all three levels of the Chartered Financial Analyst (CFA) Program, administered by the CFA Institute in addition he is Financial Risk Manager (FRM) administered by the Global Association of Risk Professionals. In addition to this he has completed numerous certifications in Financial Modelling, Corporate Finance, and Risk Management through the use of Derivatives amongst other. His career encompasses Asset Management, Product Development, Trading as well as Treasury Management. A particular highlight was his stewardship of the Petrocaribe Development Fund's (US\$1.2B) investment portfolio in his role of Manager of Investments and Treasury. Mr. Russell brings keen business and technical acumen to his role of Head of Asset Management at VM Wealth Management Limited.





# Management Discussion & Analysis

# MD&A

# Management Discussion & Analysis

## Global Economy

Global conditions in 2025 fared better than feared. As inflation eased and central banks pivoted toward a slower, more data-dependent pace, risk assets firmed into year-end and credit conditions improved. It was a year of slower but resilient growth. According to the International Monetary Fund, global GDP growth eased to around 3.0–3.2%, down from 2024 but above recessionary levels. Advanced economies grew modestly, around 1.5%, while emerging markets continued to outperform, expanding at just over 4%, led by India and parts of Asia. Labour markets also cooled but remained relatively tight; unemployment rates rose modestly across the US and Europe, signaling normalization while being observed for any further deterioration that may signal rising stress levels.

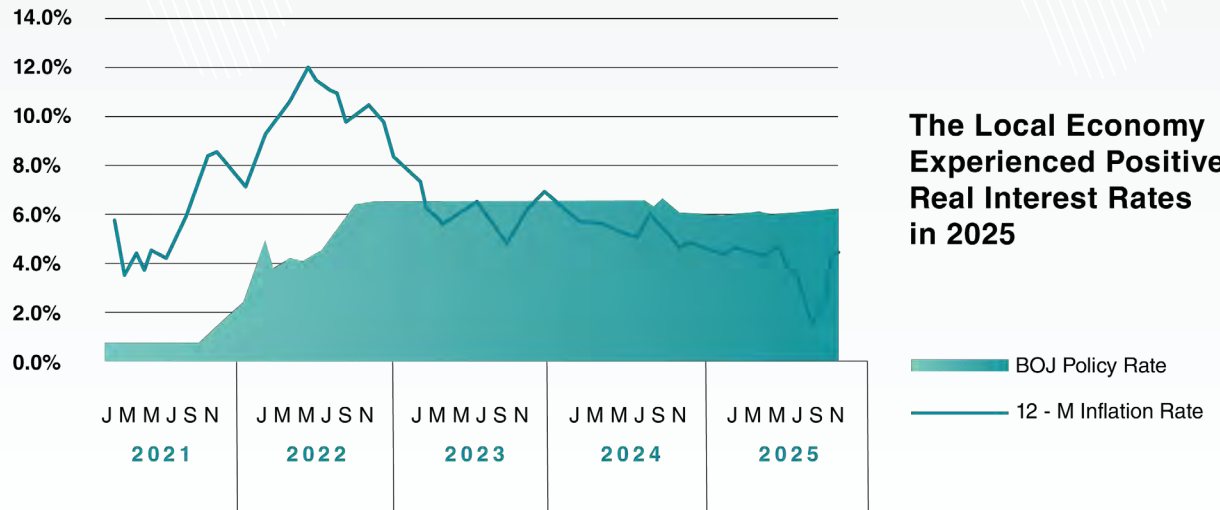
Inflation continued to trend downward globally, easing from the highs of 2022–2023 as supply chains normalised and monetary policy remained restrained for much of the cycle. The IMF estimates global inflation fell to about 4.2% in 2025, with sharper disinflation in Europe and parts of Asia, while US inflation remained somewhat stickier, particularly in services. Against this backdrop, central banks began to pivot cautiously toward easing. The global outlook, however, remained clouded by geopolitical tensions, trade fragmentation, climate-related disruptions, and ongoing conflicts in Eastern Europe and the Middle East, all of which introduced downside risks to growth and upside risks to prices for FY2026.

## Jamaica

Jamaica preserved macro-economic stability for most of 2025, supported by credible and strong fiscal account management, responsible monetary policy with debt to GDP falling as low as 62.4% along with strong external buffers. The Bank of Jamaica (BOJ) reduced its policy rate once during the year, cutting by 25 basis points to 5.75% in May, and then held rates steady through to December. This cautious stance reflected an inflation environment that remained within or below the BOJ’s 4– 6% target band for much of the year. Point-to-point inflation reached a historic low of 1.2% in August 2025, before rising modestly to 2.1% and 2.9% in the subsequent months.

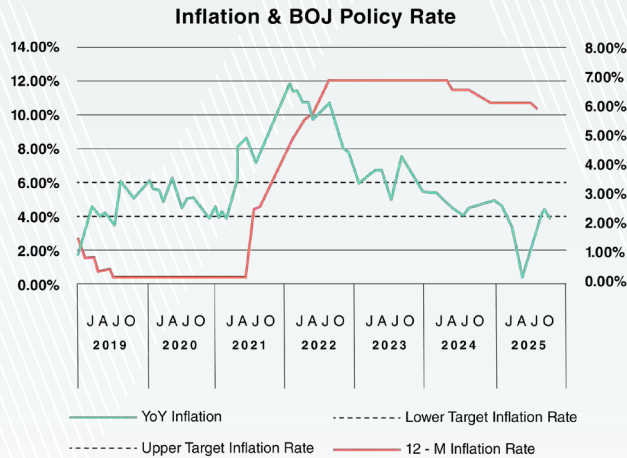
Toward year-end, storm-related supply pressures began to push inflation back toward the upper end of the target range. Looking ahead, the BOJ projects that inflation could temporarily exceed the target range in 2026, driven by rebuilding demand and supply bottlenecks, before easing thereafter.

External buffers remained a key anchor of confidence. Net international reserves reached a record high of US\$6.28 billion in December, providing significant policy space and reinforcing Jamaica’s resilience to shocks.



# Management Discussion & Analysis

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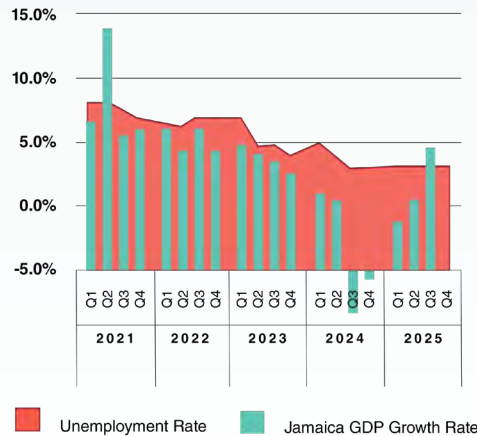
That resilience was tested in late October with the landfall of Category 5 Hurricane Melissa, which caused widespread damage, particularly across western and southern parishes. Utility disruptions and infrastructure damage constrained economic activity in the immediate aftermath. In response, the Planning Institute of Jamaica (PIOJ) projected a sharp GDP contraction of approximately 11–13% in Q4 2025. However, this downturn is expected to be temporary, with a return to growth projected for late 2026, as reconstruction accelerates and tourism capacity gradually normalises.

Government auctions were generally well supported earlier in the year, and money-market instruments offered attractive real returns, while inflation hovered near the lower end of the target range. As conditions evolved post Melissa, investors became more selective, balancing yield opportunities against uncertainty linked to recovery dynamics.

External assessments broadly align with this view. Fitch Ratings affirmed Jamaica’s sovereign rating and revised the Outlook to Stable from Positive, noting the country’s strong buffers despite hurricane-related losses and penciling in a modest recovery in 2026. The International Monetary Fund (IMF) has also published a similar baseline outlook for growth and inflation in 2026.

The equity market stabilised toward year-end, though activity remained subdued in the absence of many primary issuances. Market indices broadly declined over the year, with the Combined Index, Main Market and Junior Market down 5.6%, 5.3% and 9.3% respectively. Over the course of the year, Carreras and Caribbean Cement emerged as notable winners along with WIP Terminal joining in the latter part of the year after appreciating over 5x within days of its initial public offering brokered by VM Wealth Management Limited. In contrast, MPC Caribbean Clean Energy, Jamaica Broilers Group, JMMB Group, and NCB Financial Group experienced sharp declines, reflecting idiosyncratic, sector-specific, and macro-related pressures.

## Unemployment is trending Downwards but Growth is Slowing



Financial markets reflected both easing inflation earlier in the year and heightened uncertainty following the hurricane. For much of 2025, lower inflation and a stable policy rate after May supported declining yields at the short and intermediate tenors, while longer-dated bonds retained a firmer term premium. This divergence reflected investor reassessment of duration risk amid reconstruction-related financing needs and macroeconomic uncertainty. In effect, yields fell at the front and belly of the curve, while the long end proved stickier, signaling a preference for flexibility over long-dated commitments.

Overall, FY25 was a year of adjustment rather than retreat. Jamaica entered the hurricane shock with strong policy credibility, prudent fiscal account management and strong monetary policy position including record-high reserves, enabling the economy to absorb the initial impact and chart the path forward. As reconstruction gathers momentum, the conditions are in place for a gradual return to more normal economic activity FY26 through to FY28. resilience to shocks.

## Barbados

Barbados closed 2025 on firm footing on major economic indicators. Growth held up at 2.7% for the year, powered by tourism, construction, business and other services, and agriculture, while manufacturing was broadly flat. Labour market conditions improved, with unemployment at 6.6% in September 2025 coming from 7.70% in December 2024. This improvement is even as jobless claims ticked up modestly alongside seasonal renovation related closures in parts of the hotel sector. Inflation remained fairly low, albeit, point to point inflation edged up marginally to 1.7%, due to housing, utilities and dining costs.

As at November 2025, the 12 month moving average rate eased to 0.7% from 1.4% in December 2024. External buffers remained resilient as gross international reserves ended at USD\$1.5 billion representing coverage of over 27 weeks of imports goods and services, which is in excess of international benchmark of minimum 12 weeks. On the fiscal front, for the period April to December of FY2025/26, the Barbados government posted primary surplus of BDS\$542 (USD 271) million, approximately 3.3% of GDP, and concluded with a balanced fiscal position. This is a marked improvement since the government's debt restructuring in 2018. The health of the financial system also remained strong, with firmer credit growth, higher liquidity and healthy capital buffers, as reported by the Barbados Central Bank.



## Barbados Debt to GDP an Improving Story

The Barbados debt to GDP position has made a remarkable turnaround much like Jamaica's since the government's restructuring in FY2017/2018. The country entered the fiscal year 2017/2018 with a public debt ratio of approximately 178.9 percent of GDP, among the highest globally. The subsequent 2018–2019 sovereign restructuring significantly reduced the nominal stock and servicing costs of both domestic and external obligations, while the Barbados Economic Recovery and Transformation (BERT) programme anchored large primary surpluses and tighter fiscal and monetary discipline. Together with the rebound in economic activity and tourism, these measures have driven a sustained decline in the debt burden, with the debt to GDP ratio at 94.6% as at last published report by the Central Bank December 2025.

Policy execution also helped to smooth the refinancing of short-term notes. Barbados improved liability management operations by issuing a US\$500 million 10 year international bond that prefunded repayments and laddered the amortization of its maturity profile. As a consequence of the remarkable turnaround in economic stability and debt profile, Fitch affirmed the sovereign at B+ and revised the Outlook to Positive in October 2025. Meanwhile, S&P upgraded it to B+ with a stable outlook in the fourth quarter, citing improved governance, primary surpluses, and a downward drift in debt.

# Management Discussion & Analysis

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## Insight into GDP Growth & Balance of Payments Strengthening – A Tourism Story

Tourism contributed positively to the economic performance. Long stay arrivals and cruise flows underpinned services earnings and foreign exchange receipts, with the United States consolidating its position as the leading source market through the year. The Central Bank's quarterly reviews noted steady gains in occupancy and revenue per available room as renovated stock returned and event driven travel filled shoulder periods. Meanwhile international reserves stayed stable, amid travel credits and long term project financing.

## United States

The United States economy slowed modestly but remained resilient through 2025. Real GDP expanded by approximately 2.2% for the year, down slightly from 2024 but consistent with a gradual cooling from above-trend growth. Economic momentum eased over the second half of the year, with activity increasingly shaped by tighter financial conditions earlier in the cycle and a rotation away from goods toward services. Nonetheless, consumer spending and private investment remained supportive, allowing growth to decelerate without tipping into contraction.

Labour-market conditions softened modestly due to the impact of trade tensions at the beginning of the year,

however, conditions remained fairly healthy throughout FY25. The unemployment rate averaged 4.3% during 2025, rising from historic lows earlier in the year. This reflected slower hiring and cooling in labour demand rather than widespread job losses. Importantly, unemployment remained low by historical standards, supporting household incomes and helping to sustain consumption throughout the year.

Inflation continued its downward trend in 2025. Headline CPI averaged approximately 2.6% for the year, with year-end inflation settling near 2.7%, down meaningfully from the elevated levels recorded in 2022 and 2023. Price pressures moderated across goods and energy, while shelter and services inflation remained stickier but showed signs of gradual easing. This disinflationary backdrop combined with cooling labour market influenced policymakers to ease monetary conditions in the latter part of the year.

Against this backdrop, the Federal Reserve pivoted toward easing in the second half of 2025, delivering three 25-basis-point rate cuts in September, October, and December, bringing the federal funds target range to 3.50%–3.75% by year-end. Policymakers emphasized that future moves would remain data-dependent, but the sequence of cuts helped anchor expectations around a soft landing, despite geopolitical tensions.

Treasury markets reflected this shift. Short and intermediate-term yields moved lower as expectations for

further easing firmed, while longer-dated yields remained comparatively elevated, reflecting fiscal supply considerations and a still positive term premium. The yield curve remained only modestly inverted to flat throughout much of the year, signaling reduced recession risk but continued uncertainty around the longer-term policy path.



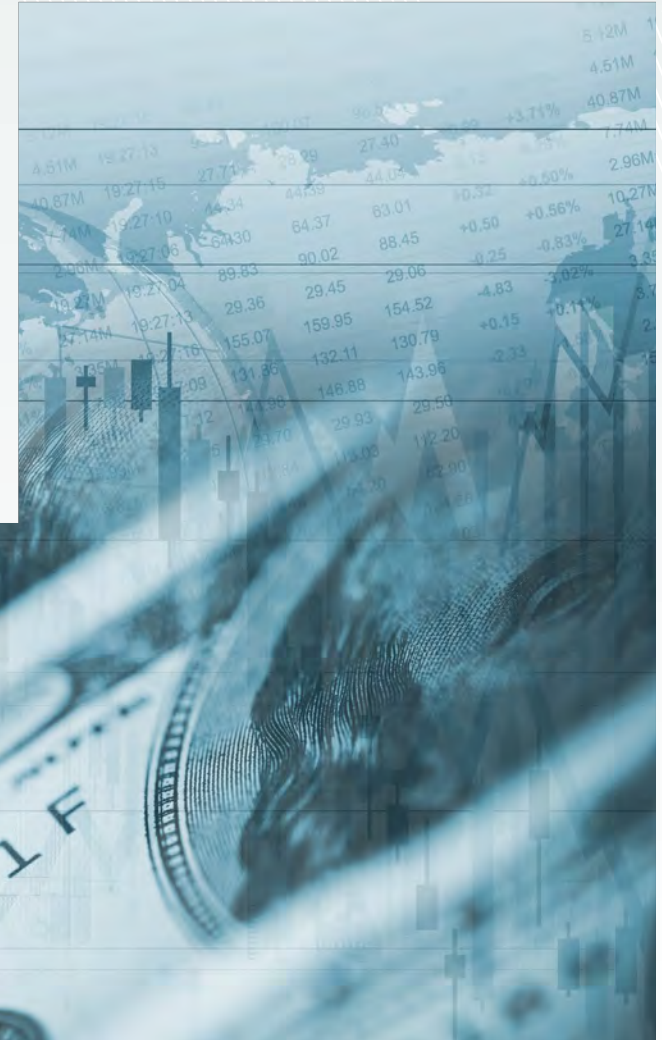
Credit markets responded constructively to the improved policy outlook. US investment-grade credit spreads tightened to roughly 75–80 basis points over Treasuries by late summer and into year-end, reflecting improved confidence in corporate balance sheets and earnings durability. Absolute yields remained attractive, supporting steady demand from income-oriented investors while maintaining financial discipline across issuers.

Equity markets delivered strong gains despite periods of volatility. The S&P 500 rose approximately 17–19% in 2025, reaching new record highs by year-end, while the Nasdaq Composite gained just over 20%, driven by continued earnings strength in technology and AI-related sectors. Comparatively, the Dow Jones Industrial Average advanced 13%, due to the outperformance of the financials, tech and surprising telecommunications which emerged as winners. Market leadership remained concentrated in large-cap growth stocks, though performance broadened modestly toward year-end as monetary easing improved sentiment.

In addition to the monetary policy pivot, US fiscal policy and geopolitics played a meaningful role in shaping economic and market conditions in 2025. In July 2025, President Donald Trump signed the One Big Beautiful Bill Act into law, a sweeping tax-and-spending package that made permanent the 2017 tax cuts, introduced temporary tax relief on tips, overtime, and auto-loan interest, increased defense and border-security spending, and scaled back funding for certain social programmes. The legislation supported near-term disposable incomes and business

sentiment, reinforcing consumption and investment, but also contributed to larger fiscal deficits and heavier Treasury issuance. These factors helped keep longer-term yields elevated despite policy easing by the Federal Reserve.

Geopolitically, 2025 remained unsettled. Elevated tensions in the Middle East, renewed conflict risks involving Iran, and ongoing trade and tariff frictions contributed to periodic market volatility and bouts of risk aversion. While these developments did not derail economic expansion, they reinforced investor demand for US dollar assets and high-quality credit and added a geopolitical risk premium to energy prices and longer-dated securities.



# Financial Performance

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The Group experienced the effects of adverse global geopolitical tensions, driven by elevated inflation, tariff disputes, and ongoing conflicts worldwide. Additionally, the sustained downturn in global markets negatively affected trading activity, while heightened interest rates and increased capital market volatility led to the deferral or non-execution of certain initiatives during the year. These factors collectively compressed margins and constrained the performance of the Group's business units, representing the primary challenges and underlying drivers of the Group's results for the period. Despite this, the Group remained resilient in the face of challenges and finished the second half of the year stronger than the first half.

## Operating Revenue and Share of Profits in associates

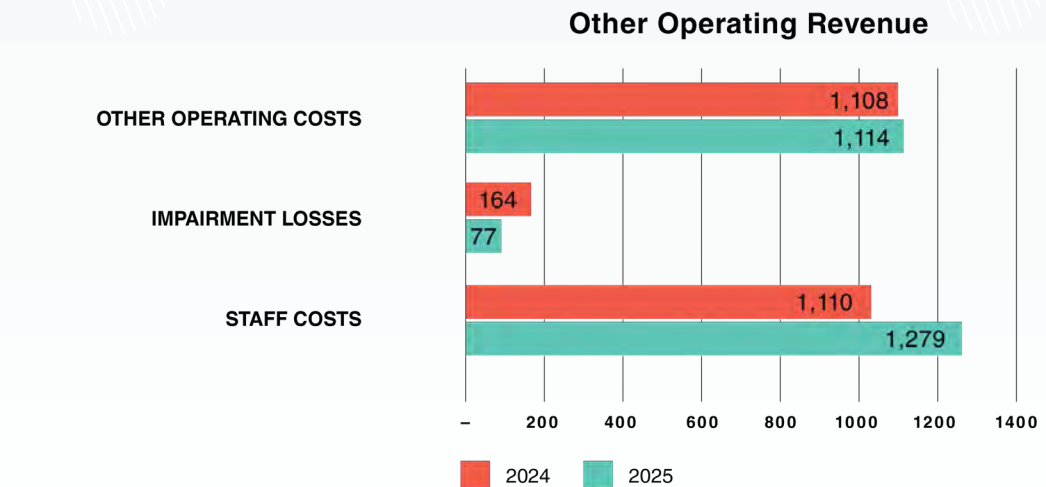
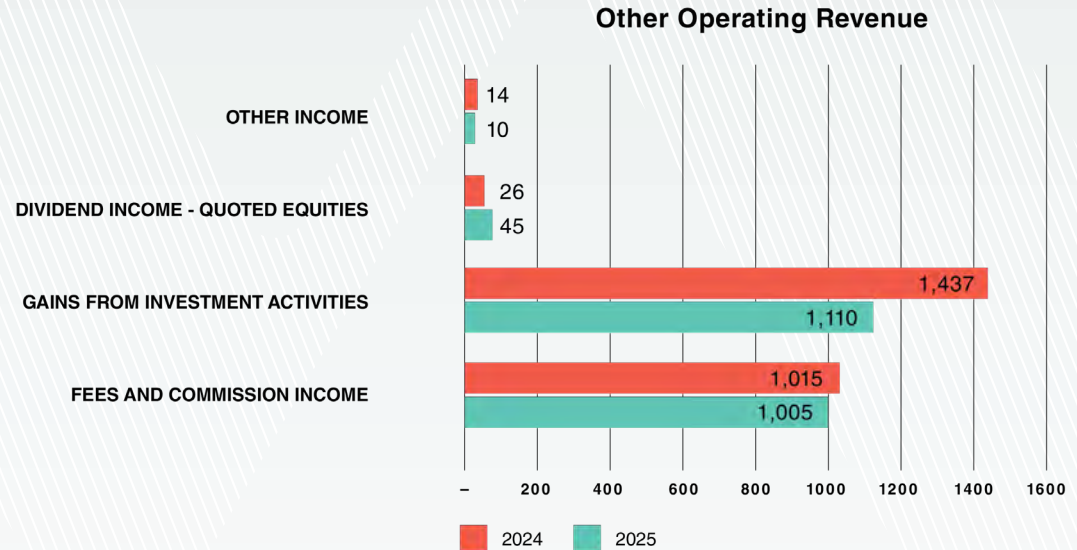
VMIL recorded net revenues of \$2.36 billion for the period, representing a decline of \$285.50 million, or 10.80%, compared to the corresponding period in 2024. Profit after tax for 2025 totalled \$165.98 million, reflecting a decrease of \$389.75 million, or 70.1%, relative to the prior year.

The Group recorded net interest income of \$187.23 million in 2025, representing an increase of \$35.83 million, or 23.7%, compared to the prior year. Other operating income totalled \$2.17 billion, reflecting a decline of \$321.33 million, or 12.89%, compared to the corresponding period in 2024. The 2024 results included a non-recurring gain of \$422 million from the sale of the Group's interest in Carilend.

Excluding this one-off item, profit after tax for 2025 increased by 24.12% year over year. The Group's Share of profits in associates declined by 21.90% or \$42.36 million due to a write down of interest in a foreclosed overseas investment property.

### Operating expenses

The Group incurred Operating costs of \$2.47 billion, an increase of 3.7% or \$88.19 million, a result of the benefits reaped from the cost reduction initiatives implemented during the year. Staff costs increased by 15.29% or \$169.66 million and was driven mainly by inflationary increases as well as the continued buildout of the team in strategic areas to further drive revenues and to improve on compliance with statutory and regulatory requirements. VMIL continues to focus on digital transformation and process automation, which is expected to boost future operational efficiencies.



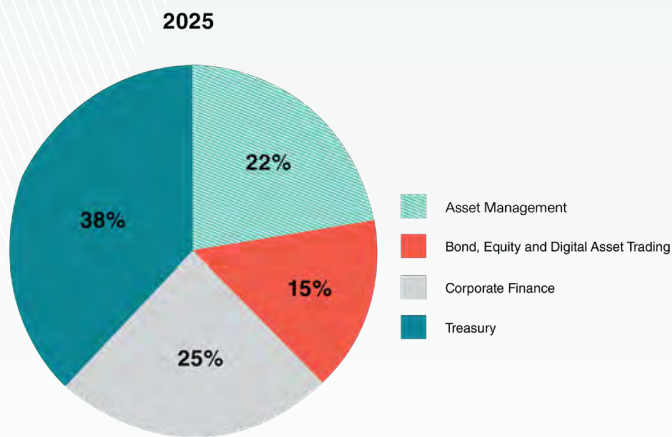
# Financial Performance

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## Segment Analysis

VMIL earns in four major segments: Asset Management, Bond, Equity and Digital Assets Trading, Corporate Finance and Treasury.

The summary below shows the revenue contribution for each segment in 2025:



Income generated through the treasury continues to be the main contributor to total revenues in 2025.

## Total Assets

Total assets exceeded \$35 billion for the first time and grew by \$4.6 billion or 15.13%, largely driven by growth in resale agreements and investment securities. The Group rebalanced its investment portfolio during the year resulting in a 23.67% year-over-year increase in net interest income. Despite the challenges this year, VMIL continues to benefit from its interest in its associates.

## Capital Management

VMIL's capital position remained strong during 2025, with its capital adequacy ratio remaining robust and underscoring the Group's financial stability and capacity to support future growth. The Group's disciplined liability management and expanding equity base reflect a well balanced financial structure, providing resilience and flexibility in navigating evolving market conditions while delivering sustainable value to stakeholders.

As at December 2025, VMWM's capital adequacy ratio stood at 15.17%, well above the minimum regulatory requirement under the capital adequacy framework. This ratio is a key measure of the institution's financial strength and assesses the relationship between its capital base and risk weighted assets, with a minimum threshold of 10% required.

## Liquidity and Funding

The Group's liquidity position remained solid, having sufficient capacity to meet short term obligations while optimizing its funding profile. VMIL reduced its cash and cash equivalents position 53.63% to \$681.29 million, as a result of better cash management measures implemented during the year to maximize returns. Investment securities rose by 27.06% to \$24.74 billion in order to push underscoring the Group's continued focus on maintaining a diversified and liquid investment portfolio.

VMIL's interest coverage ratio improved from 1.51x in 2024 to 2.10x in 2025, indicating a modest strengthening in the Group's ability to service interest obligations from operating earnings, driven by higher earnings before interest and taxes relative to interest costs. On the funding side, total borrowings decreased by 17.27% to \$7.01 billion, reflecting deliberate deleveraging initiatives. Repurchase agreements increased from \$13.93 billion to \$20.77 billion reflecting the Group's strategy to reduce its cost of funds.

Overall, VMIL's approach to funding and liability management remained disciplined and consistent, ensuring adequate liquidity coverage. The Group continues to employ prudent liquidity risk management practices, including maintaining sufficient levels of cash and marketable securities, actively monitoring projected cash flows, and preserving access to committed credit facilities with reputable financial institutions.

## Off-Balance Sheet Funds Under Management

VMIL's major subsidiary, VMWM acts as agent and earns fees for managing clients' funds on a non-recourse basis under a management agreement. As at December 31, 2025, these funds amounted to \$36.62 billion compared to \$37.41 billion in 2024. Additionally there were additional custodial arrangements for assets totaling \$54.17 Billion compared to \$55.27 billion in 2024. We recognize all assets held in custody as 'Off-Balance Sheet' Funds under Management (in accordance with the FSC's requirements).



# Enterprise Risk Management

## Risk Management

VMIL remains committed to maintaining a strong and forward-looking risk management framework that supports the creation of long-term value for shareholders, clients, and other stakeholders. Effective risk management is fundamental to the Company's ability to pursue its strategic objectives while maintaining financial strength, operational stability, and the confidence of regulators and market participants.

VM Investments Limited is exposed to a range of financial and non-financial risks in the course of conducting its business. The Company's risk management processes are designed to ensure that these risks are properly identified, assessed, and managed in a manner consistent with the organization's strategic objectives and overall risk appetite. Particular focus is placed on monitoring developments within the regulatory landscape and embedding strategic risk management practices that support the achievement of the Company's objectives within applicable regulatory requirements.

## Enterprise Risk Management Framework

VM Investments Limited operates within an Enterprise Risk Management (ERM) Framework that provides a coordinated and structured approach to managing risks across the organization.

The ERM framework is based on the Committee of Sponsoring Organizations of the Treadway Commission (COSO) framework, a globally recognised standard for enterprise risk management and internal controls and is periodically reviewed to ensure its continued effectiveness as the Company's operations evolve and the external environment changes.

## Risk Management Tools and Processes

As part of the continued strengthening of its risk management capabilities, the Company has introduced several tools and frameworks designed to enhance oversight and decisionmaking.

### Key elements of the company's risk management toolkit include:

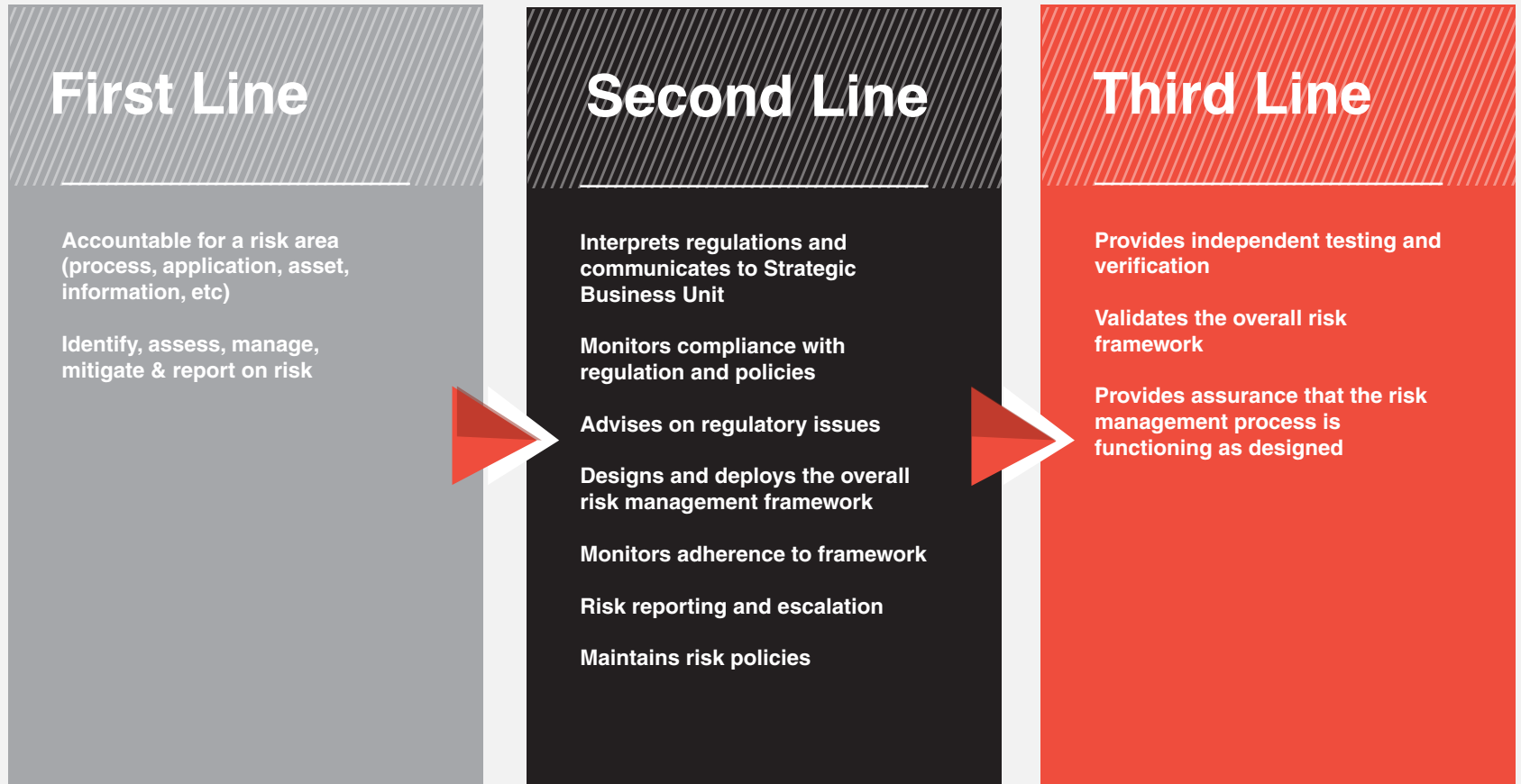
- ▶ **Distressed Asset Framework** enhancing portfolio resilience and loss mitigation
- ▶ **Risk Assessments** to evaluate the likelihood and potential impact of identified risks.
- ▶ **Risk Registers** that provide a centralized record of key risks and mitigation actions.
- ▶ **Stress Testing and Scenario Analysis** used to evaluate the resilience of the Company under adverse market conditions.

- ▶ **Key Risk Indicators (KRIs)** which provide early warning signals of emerging risk trends.
- ▶ **Counterparty Risk Asset Framework** to assess the eligibility (based primarily on their financial health) of entities we do business with and classify them accordingly.
- ▶ **Investor Risk Profiling Tool** to enhance client suitability assessments and support prudent investment decision-making.
- ▶ **Other Policies and Procedures** limit management and risk appetite adherence

Together, these tools strengthen the Company's ability to proactively identify emerging risks and ensure that business activities remain aligned with the Company's strategic objectives and regulatory obligations.

**Three lines of defense**

The diagram outlines how risk management responsibilities are distributed across the First, Second and Third Lines within our ERM Framework. Together, these three lines work cohesive to support sound decision making , regulatory compliance and the effective management of risk across the company.



# Overview of Business Lines



## Treasury

Over the period ended December 31, 2025, the Treasury remained resilient, enhancing core activities with total revenues at J\$847 million FY2025 compared to J\$573 million prior year. This marked increase represents growth in two key revenue areas, Net Interest Income which grew by 23.67% to J\$187.23 million due to a confluence of improved Net Interest Margin and portfolio growth in VM Wealth Management Limited. Gain on Redemption of Securities (net of one-off disposal of Private equity investment in FY2024) increased by 57.44% to J\$592 million compared to J\$376 million prior year. Key market drivers of the portfolio's performance are (i) lower interest expense and (ii) higher capital gains driven by interest rate reductions by Central Banks in the local market as well as The United States.

**Competitiveness in Repurchase Agreement (Repo) Business** – The treasury would have positioned itself to take advantage of increased inflows from clients seeking capital appreciation by ensuring the repo product offering remained attractive in a competitive landscape

**Net Interest Income & Net Interest Margin** – Strategic repositioning in the local and international bond markets in anticipation of interest rate decline enabled the achievement of moderate changes in the company's net interest income and improvement in NIM YOY respectively and allowing the treasury to balance risks while benefiting from monetary easing. Spreads improved to 0.50% (JMD) and 0.88% (USD) 2025 from prior year of 0.13% (JMD) and 0.24% (USD).

**Assets Under Management** – Recorded AUM at the end of 2025 of J\$24.74 billion representing an increase of 27.06% YOY (2024: J\$19.47 billion). AUM remained resilient, bolstered by capital appreciation within our fixed-income portfolios.

### Key Initiatives for 2026

- ▶ Continued expansion of Proprietary Assets under Management
- ▶ Expanding into new markets
- ▶ New customized product offerings to address market gaps enabling treasury clients to meet their financial goals

### FY 2025/26 Treasury Management Outlook

The outlook for the 2025/26 fiscal year remains cautiously optimistic, as strengthening domestic fundamentals due to recovery are expected to balance persistent global volatility.

## Monetary Policy and Interest Rates

Management anticipates a gradual reduction in local interest rates, supported by inflation remaining within the Bank of Jamaica's (BOJ) target range. This downward trend is expected to:

- ▶ **Strengthen Credit Flows:**  
Lower borrowing costs will likely drive increased demand for loans and investment products.
- ▶ **Support Market Liquidity:**  
Market liquidity is projected to remain at moderate levels, ensuring the financial sector maintains its resilience and that credit institutions remain adequately funded.



# Overview of Business Lines

Cont'd →

## Risk Assessment and Market Dynamics

While the domestic environment is stabilizing, external pressures remain the primary headwind. Geopolitical tensions and supply chain disruptions may slow the pace of global interest rate normalization, requiring the BOJ to carefully manage interest rate differentials to mitigate currency pressures.

### Key expectations for the period include:

▶ **Margin Performance:**

Despite external volatility, net interest margins are anticipated to show modest improvement.

▶ **Currency Stability:**

While a slight depreciation of the local currency is projected, significant volatility should be tempered by the BOJ's active use of open market instruments and B-FXITT interventions.

▶ **Foreign Exchange:**

The FX market is expected to remain orderly, underpinned by continued central bank support.

While a declining interest rate environment presents unique challenges, we anticipate that Assets Under Management (AUM) growth will continue to be sustained by capital gains in our fixed-income portfolios.

To mitigate the reinvestment risk associated with maturing securities, VMWM proactively deploys Treasury's Asset and Liability Management Strategy which includes navigating downside interest rate cycles while managing elevated levels of risk by laddering asset maturities that matches the behavior of the client portfolio and manages repricing risk. Our current focus includes:

▶ **Structured Products:** To enhance risk-adjusted returns through bespoke solution for clients.

Alternative Yield Strategies: To capture non-traditional income streams.

▶ **Global Diversification:** Expanding our footprint across regional and international bond markets to optimize yield and market capture.



## Asset Management

During the year ended December 31, 2025, the Asset Management business continued to demonstrate resilience and client focus in a transitional market. The global and local operating environment including Melissa driven uncertainties towards the latter part of the year resulted in softer local equity performance and only one rate cut by the BOJ, which was below expectations at the start of FY2025. This combination influenced mixed asset performance across portfolios.

Assets Under Management closed at J\$36.62 billion in 2025, compared to J\$37.41 billion in 2024, reflecting the impact of prevailing market conditions over the period. The local equity strategies deployed by our experienced management team delivered industry-leading results, with our flagship domestic equity fund recognised as the top-performing local equity fund in 2025. This performance underscores VMWM's disciplined security selection and proactive risk management approach. In addition, VMWM's US dollar fixed income portfolios ranked among the top two and three in their respective categories within the US fixed income segment.

Client relationships remained central to our approach. Portfolio Management clients, many with US dollar based, tailored portfolios, benefited from targeted recommendations across US equities and fixed income. We prize tailored construction over template portfolios. Client objectives, risk tolerances, and liquidity needs guided allocations, and that alignment continued to support client confidence and retention.

Looking ahead, our priorities remain focused on maintaining top quality customized portfolio service while delivering the highest tier performance in the marketplace. We continue to achieve this each year while managing client portfolio risk embedded in customized asset allocation and selection within their appetite. We will also maintain a client centric focus, adapting portfolio construction as the rate, inflation, and growth outlooks evolve throughout 2026. VMWM plans to ramp up alternative investment solutions designed to help finance national rebuild efforts following Hurricane Melissa. These opportunities combine diversification with real economic impact as infrastructure and housing recovers.

Amongst the risks faced in FY2026 include market volatility, interest rate uncertainty (including the BOJ's path as storm related inflation passes through), and select markets and credit stresses in the global and local economy may challenge returns at intervals. However, VMWM's discipline, combined with diversified strategies and active oversight, positions VMWM to help clients to remain resilient, navigating the climate and exceed their objectives.

### VM Wealth Funds (Barbados)

As at December 31, 2025, the VM Wealth Capital Growth Fund (VMCGF) reported a NAV of B\$1.4620, up 2.66% year over year (from B\$1.4355) and slightly higher quarter on quarter, supported by favourable revaluations in listed equities. The VM Wealth Income Fund (VMIF) delivered a NAV of B\$1.5608, up 4.31% year over year gain, from core fixed income positions and continued income accruals. The VM Wealth Property Fund ended at a NAV of B\$0.5903, down 4.38% year over year, reflecting fees and expenses on underlying real estate assets and a cautious tone in property valuations.

Portfolio structures were consistent with mandate. The Income Fund stayed anchored in high quality domestic paper, with Government of Barbados Series D being the largest exposure.

Additionally, positions were held across public sector and quasi sovereign credits (e.g., Barbados Port Inc.), alongside liquidity held in money market instruments. This mix helped deliver a steady year over year appreciation. The Capital Growth Fund maintained a predominantly equity profile with core holdings in regional blue chips such as Massy Holdings, Goddard Enterprises, and Insurance Corporation of Barbados Limited, complemented by a Government Series D allocation to balance volatility and enhance carry.

We have also added more US equity holding achieving further portfolio diversification. The Property Fund remained primarily exposed to operating and development real estate, led by Apes Hill SRL Development, with smaller allocations to Series D and listed equities, making returns more sensitive to project timing and valuation changes during the year. The team is in the process of divesting the Apes Hill SRL Development and is capitalizing on further opportunities to grow the Fund.



# Overview of Business Lines

Cont'd →

## Capital Markets

The financial year 2025 was characterised by a gradual easing of monetary conditions following the elevated interest rate environment experienced in 2023 and 2024. Borrowers in the corporate market generally continued to pay risk premiums of approximately 400–600 basis points above the benchmark government rate, depending on the credit profile and structure of the transaction. While this represented some improvement relative to the prior year, borrowing costs remained elevated for many prospective issuers, particularly those with weaker balance sheets or limited collateral support. As a result, some corporates continued to defer capital market transactions while awaiting further reductions in interest rates.

Despite these conditions, the Capital Markets Unit delivered several key successes during the period. Notably, the team successfully closed a \$500 million bond raise on behalf of ICR Holdings Limited, a J\$600 million lease financing facility for Kurbiton Limited, and a \$496 million bond facility for ISP Finance Services Limited. The team also advised on and executed a listing by introduction for West Indies Petroleum Terminal Limited, which was one of two equity listings on the Jamaica Stock Exchange in 2025. In addition, we played a key role as selling agents in the Barita Investments Limited Public Bond Offer, raising over J\$1 billion for that transaction.

For the financial year 2025, fee income remained under pressure, reflecting the lingering effects of the higher interest rate environment and continued intense competition among investment dealers and brokers within the local capital markets industry. While market conditions improved relative to 2024, the pace of new issuances and equity listings remained moderate as issuers remained cautious in their capital-raising activities.

Looking ahead to 2026, the outlook for the Capital Markets Unit remains one of measured optimism. Inflation has remained broadly contained and the Bank of Jamaica has signalled its commitment to maintaining monetary stability while gradually guiding interest rates towards a more neutral level. However, global economic uncertainties and the path of interest rates in major developed economies, particularly the United States, continue to pose potential risks to the pace of domestic monetary easing. Against this backdrop, the Capital Markets Unit is proactively expanding its strategy to generate fee income beyond traditional bond issuances, refinancing transactions and initial public offerings.

Key strategic priorities include the development of structured products, asset-backed securities and the securitization of receivables and other predictable cash flows, which can be distributed to local and regional asset managers seeking diversification and enhanced yields. To support this strategy, the team continues to focus on strengthening its internal capacity to originate, structure and execute more complex financing solutions for corporate clients.

## Global Markets & Digital Assets Trading

In 2025, the trading environment for both bond and equity markets was characterized by heightened volatility, driven by geopolitical tensions, trade disputes, and ongoing conflicts. Despite these challenges, the U.S. equities market delivered strong overall gains, with the S&P 500 and Nasdaq posting solid returns led by large-cap, technology-oriented stocks. Technological advancement—particularly continued investment in artificial intelligence—was a key driver of market performance. In contrast, the local equity market, the Jamaica Stock Exchange (JSE), experienced a challenging year marked by weaker performance and mixed outcomes.



Total market capitalization declined by approximately 5 percent, with the Main, Junior, and USD indices all registering losses amid broad downward pressure on stock prices. Contributing factors included elevated interest rates, weaker corporate earnings, economic and election-related uncertainty, and the disruptive impact of Hurricane Melissa, which negatively affected investor sentiment and liquidity, particularly among smaller-cap stocks.

VM Wealth Management was ranked 2nd and 4th for volume and value traded respectively on the main market and 4th for value and volume on the junior market. The trading team continues to explore and initiate innovative trading strategies within risk management framework for various asset classes as the investment landscape evolves.

The local fixed-income market was largely influenced by monetary policy, as the Bank of Jamaica (BOJ) maintained a generally accommodative yet cautious stance. The BOJ reduced its policy rate from approximately 6 percent to 5.75 percent mid-year and subsequently held rates steady as inflation remained within, or trended toward, the target range of 4–6 percent despite global uncertainties. Although inflation eased later in the year, anticipated further interest-rate cuts did not materialize.

Amid this volatility, both fixed-income and equity markets presented trading opportunities that were effectively capitalized on by the Trading team. Active trading in sovereign and global corporate bonds, both on behalf of clients and for proprietary portfolios, generated trading gains. Momentum and short-term strategies dominated local and international equity trading activity. While the passage of Hurricane Melissa delayed several significant executions, the team delivered a fairly good performance overall, navigating considerable local and global headwinds.



# Our Operations

## Information Communication Technology

The Group Information Communication Technology (GICT) unit is the driving force behind our digital evolution, relentlessly pushing the boundaries of what's possible. This year, we didn't just support the business; we enhanced it.

We unleashed a new era of performance and security with a sweeping overhaul of our digital infrastructure. Through strategic network enhancements and server virtualization, we've built a faster, more resilient, and more secure foundation for growth. This momentum carried through to a landmark upgrade of our core business system, delivering a major leap in productivity and efficiency for our teams. We also reimagined a key client channel, IPO Edge, to provide an enhanced user experience. We have also launched our online onboarding service allowing customers to open accounts online at their convenience.

Other initiatives include the rollout of services for streamlining payment processing, resulting in shorter periods for clients to receive their funds from their investments.

Most excitingly, we've pioneered the future of work by integrating the revolutionary power of Artificial Intelligence (AI) with the Google Gemini Enterprise platform. By embedding AI into key processes, we are streamlining operations and unlocking unprecedented efficiencies.

Our vision for 2026 is even bolder. We are doubling down on AI and automation to transform every facet of our business. As we continue to upgrade our primary customer-facing channels and drive the VM Wealth's digital strategy, GICT is poised to deliver exceptional value and solidify our position as a technology leader.

## Information Security: Our Unbreachable Commitment to Protection

In a world of ever-present digital threats, we stand as a fortress. Information and Cyber Security are not just priorities; they are promises we make to our clients and team members. As financial institutions remain a prime target globally, we have proactively fortified our defenses to protect the trust you place in us.

With the full backing of our Board and Executive Leadership, we have forged a multi-layered defense system, aligning our security posture with the latest guidelines from the Financial Services Commission (FSC). Our strategy is relentless and proactive, encompassing:

**Modernization:** Eliminating vulnerabilities by retiring legacy systems and upgrading firewalls across the entire network.

**Vigilance:** Conducting continuous testing, proactive threat hunting, and rigorous risk assessments to stay ahead of attackers.

**Empowerment:** Arming our team members with the knowledge to be our first line of defense through advanced training and phishing simulations.

Looking ahead to 2026, we are committed to investing in next-generation security technologies to further harden our environment. VM Wealth is unwavering in its mission: to provide an exceptionally secure environment where our clients can transact with total confidence and our team can deliver with peace of mind.

## Digital Transformation

During the year, VM Investments Limited and its subsidiary, VM Wealth Management Limited, advanced key elements of their transformation agenda, with a focus on strengthening operational efficiency, enhancing digital capabilities, and improving the overall client experience. These initiatives reflect the Group's commitment to innovation, service excellence, and building a resilient, future-ready operating model.

Several core technology upgrades were successfully implemented to streamline processes and support business scalability. These included enhancements to the Opics platform, upgrades to the Loan Edge margin lending system, and the full deployment of a semiautomated coupons processing system for both local and international payments. Collectively, these improvements have strengthened transaction processing efficiency and reduced manual intervention across critical workflows.

The Group also progressed its digital onboarding capabilities through the rollout of Group Online Onboarding, improving accessibility and reducing onboarding friction for new clients. Complementing this, automation of client letter generation—across embassy, statement, status, and investment letters—has significantly improved turnaround times and operational consistency.

Further enhancements were made to the IPO Edge platform, reinforcing both functionality and security.

The introduction of one-time password (OTP) authentication has strengthened data protection, while improvements to the guest user journey—including document upload capabilities, extended session times, and streamlined application processes—have enhanced ease of use. Additionally, the implementation of a digital investment mandate form and autofill features has simplified client submissions and improved processing efficiency.

These developments build on the earlier deployment of the Dividends Processing System, which has already delivered measurable gains through reduced end-to-end processing times for dividend payments.

Overall, these operational improvements have enhanced internal efficiency, strengthened digital engagement, and positioned the Group to better respond to evolving client needs. They also reinforce VMIL's strategic priority of leveraging technology to drive sustainable growth and maintain a competitive edge in an increasingly digital financial services landscape.

## Legal, Compliance & Investor Relations

During the year under review, the Legal function remained focused on strengthening the Company's legal and governance framework while supporting strategic transactions and safeguarding the organization's interests across all business lines. Key priorities included enhancing contractual standardization, strengthening enforcement mechanisms within credit and investment documentation, and providing legal oversight for new product initiatives and capital market transactions.

The Legal team continued to play a central role in supporting complex transactions, restructuring initiatives, and the management of contingent liabilities, while also ensuring alignment with evolving regulatory expectations across all jurisdictions in which the Group operates. Particular emphasis was placed on strengthening documentation for margin lending, investment offerings, and digital onboarding platforms to ensure robust risk mitigation and enforceability.

In addition, the function provided ongoing advisory support to the Board and Management on governance matters, contractual risk, and dispute resolution, while working closely with internal and external counsel to efficiently manage claims and recovery strategies. These efforts collectively contributed to the preservation of shareholder value and the maintenance of strong legal and governance standards across the organization.

## Compliance

The Compliance function continued to prioritize the enhancement of the Company's regulatory compliance framework, with a focus on anti-money laundering and counterfinancing of terrorism (AML/CFT), data protection, and conduct risk management. Throughout the year, emphasis was placed on strengthening internal monitoring systems, improving documentation standards, and enhancing staff awareness of regulatory obligations.

Key initiatives included the expansion of transaction monitoring capabilities, ongoing refinement of the Compliance Grid across Jamaica and Barbados operations, and targeted remediation activities arising from regulatory reviews and internal audits. The Compliance team also led a number of sensitization sessions to reinforce accountability, breach reporting protocols, and timely remediation across business units.

Efforts were also directed toward improving client due diligence and KYC record completeness, enhancing regulatory reporting accuracy, and supporting the implementation of digital onboarding and client lifecycle management processes. These initiatives were aimed at strengthening the Company's risk management posture while ensuring continued alignment with the expectations of the Financial Services Commission and other regulatory stakeholders.

The Compliance function remains committed to fostering a strong culture of compliance, transparency, and ethical conduct across the organization.

# Our Operations

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## Investor Relations

The Investor Relations function remained focused on strengthening transparency, stakeholder engagement, and corporate governance outcomes throughout the year. Continued emphasis was placed on timely and accurate disclosures, proactive engagement with shareholders and regulators, and alignment with the Jamaica Stock Exchange (“JSE”) Corporate Governance Index (“CGI”) framework.

During the year, VMIL successfully staged its Half-Year Investor Briefing, providing shareholders and market participants with timely insights into the company’s financial performance, strategic direction, and operating environment. This initiative formed part of the Company’s continued efforts to strengthen investor engagement, enhance market transparency, and foster deeper confidence among stakeholders.

The Investor Relations team worked closely with Legal, Compliance, Finance, and senior management to ensure consistency and clarity in market communications, annual report disclosures, and investor-facing materials. The function also supported initiatives aimed at strengthening investor confidence, improving disclosure quality, and reinforcing the Company’s reputation for strong governance and transparency.

The Company remains committed to maintaining open and constructive engagement with its shareholders and the wider investment community, while continuing to advance its corporate governance standards in line with market expectations.

## Risk Management

In 2025, the Risk Management Team at VMIL successfully achieved the goals set for the year, building on their previous accomplishments. The team effectively navigated a more complex regulatory environment, continued to strengthen their risk management frameworks, was proactive in assessing and managing risks, achieving an enhanced risk culture throughout the organization, and delivering comprehensive risk models. The Risk Team continued to improve its communication and collaboration with revenue-generating departments, which ensured a more integrated approach to risk and business objectives.

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

In 2025, economic fluctuations and the vulnerability to natural disasters, such as Hurricane Melissa and earthquakes, posed significant risks to asset valuations. Additionally, the evolving regulatory landscape required the department to adapt to stricter compliance requirements. In response, the Risk Team prioritized strengthening risk assessments, and enhanced crisis management strategies. By proactively addressing these risks, the team ensured greater resilience, safeguarding assets, and maintaining a stable operational environment.

In 2025, we also developed a policies and frameworks to improve the coverage of risks such as the Distressed Asset Framework, which have been essential tools in managing various aspects of risk.

Looking ahead to 2026, our goal is to build a resilient, highly skilled team that can respond swiftly to emerging risks and resolve issues with greater efficiency. This will be supported by continued improvements in our turnaround times and responsiveness to service level agreements, allowing the team to better serve the organization's needs and resolve issues more quickly.

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



# Our Operations

Cont'd 

## Business Processes and Quality Assurance

### 2025 Achievements: Building a Stronger, Smarter, More Accountable Organization

In 2025, the Business Process & Quality Assurance team made meaningful strides in strengthening our governance framework, enhancing operational discipline, and elevating the internal controls culture across the organization. These achievements form the backbone of a more resilient, responsive, and future ready institution.

### Audit Readiness & Execution

We strengthened our audit ecosystem through tighter collaboration, disciplined planning, and continuous monitoring. Throughout the year, the team developed and executed comprehensive audit action plans, streamlined audit deliverables, and significantly improved completion timelines. These enhancements were supported by a deliberate cultural shift that reinforced the importance of strong internal controls and accountability at every stage of the audit cycle.

## Policies & Procedures Modernization

Our team completed a major refresh of the company's governance documentation, reviewing and updating 11 VMIL/VMWM policies and creating or enhancing 42 business critical procedures. This foundational work not only strengthens regulatory alignment but also directly enabled the rollout of our new digital learning ecosystem, ensuring greater accessibility and consistency in how governance standards are communicated across the organization.

### Launch of Animated Training Modules

We introduced interactive, animated training modules that cover all policies and key business procedures, incorporating knowledge-testing elements to strengthen comprehension and retention. This modern, accessible learning format helped drive company-wide engagement and ensured that all team members were aligned with our governance standards.

### Governance Library Implementation

A centralized, digital Governance Library now provides staff with easy access to company policies, procedures, and key regulatory references. This consolidated resource promotes transparency, reduces knowledge gaps, and ensures greater consistency in how teams understand and execute business processes.

## Strategic Focus: Strengthening Governance Through Continuous Improvement

**Our strategy moving forward is rooted in operational excellence, regulatory alignment, and proactive governance. In 2026, we are deepening our commitment to:**

- ▶ **Risk Assessment:**  
Regular, structured evaluations to anticipate and mitigate threats to organizational stability and performance.
- ▶ **Technology Integration:**  
Adoption of digital tools to automate key controls, reduce manual effort, and enhance real time monitoring.
- ▶ **Stakeholder Engagement:**  
Close cross functional collaboration to embed governance principles into daily operations and strengthen accountability culture.
- ▶ **Continuous Improvement:**  
A relentless focus on refining processes, closing control gaps, and promoting operational discipline across the enterprise.

## 2026 Focus

### Quality Testing Program

In 2026, we will implement a structured Quality Testing Program to routinely assess adherence to policies and procedures. This will help us quickly identify control gaps, track remediation efforts, strengthen accountability across teams and reduce operational losses.

### Enhanced Onboarding & Training

We will roll out an improved onboarding and training framework to better support both new and existing employees. The goal is to create a consistent, accessible learning experience that strengthens process knowledge and reinforces compliance.

### Process Documentation & Optimization

Our team will continue reviewing and refining business processes to eliminate redundancies and enhance internal controls. This ongoing work will support operational efficiency and ensure processes remain aligned with regulatory and business needs.

### Collaboration with Risk & Compliance

In partnership with the Risk and Compliance teams, we will work to proactively identify gaps and implement stronger controls. This cross-functional alignment will improve risk mitigation and elevate our governance standards.

### Innovative Initiative

We will execute a focused Innovation Initiative aimed at automating manual tasks, reducing manpower hours, and strengthening governance oversight. This effort will also enhance knowledge sharing and support smarter, more efficient operations.

### Support for Key Business Initiatives

Throughout the year, we will continue to support major business initiatives and lead change management activities. Our involvement will help ensure seamless transitions, clear communication, and successful implementation of strategic projects.

Together, these achievements reflect the Business Process & Quality Assurance team's unwavering commitment to strengthening governance, elevating operational discipline, and building a culture of accountability across the organization. The progress made in 2025 provides a strong foundation for the strategic priorities we have outlined for 2026, positioning us to drive even greater efficiency, compliance, and innovation in the year ahead. As we continue to collaborate across teams and embrace continuous improvement, we remain focused on supporting the company's long-term resilience and delivering sustainable value for our stakeholders.

### Sales & Client Relations

The 2025 financial year marked a period of focused execution and structured growth across the Sales and Client Relations Team. Through refined segmentation, deeper collaboration, and digital enhancement, we strengthened our foundation and positioned the business for scalable expansion.

Our enhanced segmentation framework improved advisor productivity and structured client engagement, resulting in:

- ▶ 100% achievement of active Individual client targets
- ▶ Corporate (non-personal) client growth exceeding target by 17%
- ▶ Increased participation and improved retention across priority tiers

Cross-entity collaboration within the VM Group ecosystem deepened in 2025, particularly between VM Wealth and VMBS, enabling more holistic wealth and banking solutions. Targeted outreach and financial literacy initiatives expanded our presence in underserved communities while building a sustainable future client pipeline.

Enhancements to the IPO Edge Platform improved security, processing efficiency, and transaction capabilities, complemented by the launch of the Digital Onboarding Platform, which expanded accessibility and enhanced the client journey.

# Our Operations

Cont'd →

As we move into 2026, we transition from foundation-building to expansion — scaling segmentation discipline, accelerating digital acquisition, strengthening ecosystem collaboration, and converting engagement initiatives into measurable AUM growth.

We are positioned not just for growth, but for sustained leadership in wealth management.

## Customer Experience

In a year shaped by transformation, rising client expectations, and accelerating digital adoption, the Client Experience (CX) Unit focused on building resilient operational foundations aligned with the theme Future-Ready: Strengthening Foundations for Sustainable Growth. The objective was not only to respond to immediate service needs, but to design systems and processes capable of supporting scalable growth.

The unit implemented targeted automation and process improvements to enhance efficiency and transparency. IVR enhancements improved call routing, while CRM and dividend automation reduced turnaround times from days to minutes. The introduction of Wealth Advisor Net Promoter Score (NPS) tracking, supported by dashboards and daily reporting, embedded accountability and data-driven decision-making into daily operations. Client forums, segmentation initiatives, and digital enhancements further strengthened engagement and integrated service delivery.

These operational improvements were complemented by broader client engagement initiatives across the organisation. Digital onboarding increased by 14.6% year-over-year, while channel usage expanded by more than 50%, reflecting continued enhancements to the Client Management System (CMS) and strengthening self-service capabilities.

Enhancements to the IPO Edge platform also improved transaction efficiency and investor participation.

These actions produced measurable outcomes. The Member Engagement Centre achieved an 84% answer rate, a 47% year-over-year improvement, while call volumes declined by 48%, reflecting successful digital adoption and improved first-contact resolution. Client Relations NPS improved from 8 in Q1 to 22 in Q4, and Digital NPS stabilised at 24, demonstrating growing client confidence in the organisation's platforms and relationships.

Operational challenges — including system integration and increased digital usage — were managed through phased implementation, training, and strengthened governance frameworks. Automation reduced manual dependency and improved oversight, reinforcing operational stability.



Purpose-driven engagement initiatives also strengthened relationships with clients and members. During the year, the Company relaunched its weekly and monthly newsletters, issued 99 client advisories, launched its official Instagram page to deepen digital engagement, and hosted a series of in-person and virtual client forums, including diaspora engagement activities in the United States.

By improving efficiency, increasing digital adoption, and strengthening client trust, the CX Unit established scalable infrastructure to support future expansion. These foundations position the organisation to deliver consistent service, stable relationships, and sustainable growth in an evolving environment.

# Our Investments

## Home Choice Enterprise Limited

Home Choice Enterprise Limited was founded in 1999 by Managing Director Kareema Muncey and incorporated as a limited liability company in May 2004. Since its establishment, the company has grown from a small local manufacturer into a recognized Jamaican food brand supplying supermarkets and retail outlets across the island, while exporting to diaspora markets through distributors in Canada and the United States.

The company produces a wide range of Jamaican food and beverage products, including pepper shrimps, juice mixes, extracts, soups, curry powder, sauces, spices, beverages, and Vienna sausages. Through a strong focus on authenticity and quality, Home Choice has built a reputation for delivering traditional Jamaican flavours to both local and international markets.

## Industry Recognition

Home Choice has received several recognitions within Jamaica's manufacturing sector, including the Jamaica Manufacturers' Award for Best Small and Medium-Sized Manufacturer in 2007 and 2020. Several of its products have also been nominated for the Jamaica Observer Food Awards, while its Lemonade Ginger Drink received the Best New Product Award at the 2018 Jamaica Manufacturers' Expo.

## Investment and Performance

In May 2022, VM Investments Limited acquired a 10% private equity stake in Home Choice as part of its strategy to invest in high-potential Jamaican businesses with strong growth and export potential.

Since the investment, the company has delivered strong financial performance. For FY2025, revenue increased by approximately 30% year-over-year, while net profit grew by approximately 66%, reflecting higher sales volumes and improved cost management. Over the period 2020 to 2025, revenue expanded at a compound annual growth rate of approximately 30%, while net profit grew at a CAGR of approximately 66%.

Based on the company's improved financial performance relative to VMIL's initial investment, the investment has generated a return on invested capital (ROIC) of approximately 2.3x.

## Outlook



Home Choice continues to focus on product innovation, expanding distribution across Jamaica, and increasing penetration in export markets, particularly in North America. The company is also strengthening its governance and operational systems in preparation for a potential future listing on the Jamaica Stock Exchange.

With a strong brand and expanding international presence, Home Choice remains well positioned for continued growth within Jamaica's agro-processing sector.

# Our Investments

Cont'd

## Kingston Properties Limited (KPREIT)

In 2022, VM Investments Limited (VMIL) acquired 135,483,871 units of Kingston Properties Limited (KPREIT), increasing its ownership interest to 23%. As a result, KPREIT is accounted for as an associate in VMIL's financial statements and contributes to VMIL's financial performance through its share of associate earnings. This investment forms part of VMIL's strategic investment and real estate expansion strategy.

For the financial year ended December 2025, KPREIT delivered mixed financial results. Core operating performance remained strong, supported by growth in rental income and expansion of the investment property portfolio. Total revenue increased by 28.1%, rising from US\$4.7 million to US\$6.0 million, while operating expenses increased by 10.5% to US\$2.3 million.

Despite the improvement in revenue, overall profitability declined due to adverse fair value movements on investment assets. The company recorded a fair value loss of US\$2.9 million, primarily related to an impairment on its equity investment in the Polaris at East Point, following a foreclosure event. Consequently, operating profit declined by 8.5% to close the period at US\$6.2 million. Net profit also declined by 22.6% to US\$5.3 million, relative to the US\$4.1 million earned in the prior year.

The balance sheet continued to expand during the period, reflecting ongoing investment in income-producing assets funded by incremental debt and retained earnings. Total assets

increased by 12.4%, rising from US\$77.4 million to US\$87.0 million, driven primarily by additions to investment properties, including property held for sale.

KPREIT's property portfolio remains geographically diversified across several markets. Jamaica represents 43% of the portfolio, the Cayman Islands 41%, the United Kingdom 12%, and the United States 4%.

Strategic priorities for 2025 and 2026 include the disposal of non-core assets and reinvestment into high-yielding properties, further expansion within the United Kingdom following encouraging portfolio performance, completion of the Rousseau Road warehouse development in Jamaica, maintaining prudent leverage levels, and redeploying capital into core real estate assets.

## Island Car Rentals Holdings Limited

Island Car Rentals Holdings Limited (ICRHL) is a holding company established to consolidate and expand operations within Jamaica's ground transportation sector. Through its principal operating subsidiary, Island Car Rentals Limited (ICRL), the company operates as a full-service ground transportation provider serving both domestic and international clients.

ICRL maintains a fleet of approximately 1,400 vehicles and offers a wide range of services including car rentals, private airport transfers, customized tours, chauffeur services, and long-term corporate rentals and leases. The company serves

tourists, corporate clients, and travel partners across Jamaica's tourism and hospitality sectors.

ICRL is licensed by the Jamaica Tourist Board, which provides several operating advantages including customs duty relief, a 20% concession on imported vehicles, and duty exemptions on resale after three years. These concessions support efficient fleet renewal, reduce operating costs, and enhance long-term operational sustainability.

## Investment and Value Creation

USD-indexed preference shares with a conversion option. The investment supported ICRHL's acquisition of Island Car Rentals Limited and Jamaica Rental Company Limited, strengthening the group's position within Jamaica's ground transportation market.

This investment aligns with VMIL's private equity strategy of supporting established Jamaican businesses with strong growth potential while generating attractive risk-adjusted returns. It also provides VMIL with exposure to Jamaica's tourism-linked transportation sector, which continues to benefit from sustained growth in visitor arrivals.

## Financial Performance

For the eight months ended December 2025, ICR recorded total revenue grew by 7.9% to \$1.97 billion, compared with \$1.82 billion in the corresponding period of 2024. This was driven primarily by motor vehicle rentals, complemented by gains from the sale of vehicles from the existing fleet.

Profit from operations increased to \$579.3 million, up from \$362.3 million in the prior period, reflecting revenue growth and improved cost management. Profit before taxation totaled \$403.3 million, more than doubling the \$130.04 million recorded in the comparable period in 2024.

Total assets increased to \$4.90 billion as at 31 of December 2025, driven by fleet expansion and growth in property, plant and equipment.

## Outlook

ICRHL continues to expand its fleet and service offerings to support growing demand within Jamaica's tourism sector. With improving profitability, a strengthened balance sheet, and continued tourism growth, the company remains well positioned to deliver sustained value creation and long-term returns on VMIL's investment.

## Stationery World and Book Center

Stationery World and Book Centre Limited (SWBC) is a Jamaican retail and distribution company with more than two

decades of operating history in the books, stationery, and office supplies market. The company serves a broad customer base including households, schools, government institutions, and corporate clients across Jamaica.

SWBC offers a diversified range of products and services, including textbooks, school and office supplies, office furniture, uniforms, printing services, internet café access, homework centres, electronics, toiletries, and cleaning products. This diversified offering allows the company to capture demand across multiple consumer and institutional channels while maintaining strong brand recognition within its core categories.

The company is led by Chief Executive Officer Joycelyn McIntosh-Scott and Chief Marketing Officer Sheldon McIntosh, whose extensive industry experience has supported the company's longstanding market presence within Jamaica's retail and education supply sectors.

## Investment and Value Creation

In 2024, VM Investments Limited invested J\$140 million in a convertible bond issued by SWBC. The instrument provides fixed-income returns while preserving potential equity upside through a conversion feature that may be exercised at a discounted valuation during a qualifying public offer or at maturity. During the five-year term, VMIL receives quarterly interest at a rate of 13.50%, generating stable recurring investment income.

The investment aligns with VMIL's private equity strategy of supporting established Jamaican businesses with growth potential and the capacity to transition to the public market over time.

## Financial Performance

Based on the company's 2025 management accounts, SWBC recorded revenue of J\$198.6 million, up from J\$128.3 million in 2024, while gross profit increased to J\$70.0 million from J\$39.4 million. Operating profit improved to J\$10.5 million, reflecting stronger commercial activity and improved margins.

Working capital management remains an important focus area, particularly inventory optimization and liquidity management, while leverage remains elevated following the issuance of the J\$140 million bond and other debt facilities.

## Outlook

SWBC continues to benefit from a recognized brand, diversified revenue channels, and longstanding relationships within Jamaica's education and retail sectors. With ongoing improvements in operational performance and financial discipline, the company remains positioned to strengthen profitability and progress toward potential public market readiness over the medium term.

# Our Investments

Cont'd

## JASMEF

The Jamaica Actus Small and Medium Enterprises Fund I (JASMEF) is a private equity fund launched in 2022 to support the growth and expansion of well-established Small and Medium Enterprises (SMEs) in Jamaica. The fund was established through a collaboration involving the Development Bank of Jamaica (DBJ) and the World Bank to expand access to growth capital for SMEs and strengthen the development of the private equity ecosystem in Jamaica and the wider Caribbean.

JASMEF invests in scalable Jamaican businesses with strong growth potential. Investments are typically structured as minority equity stakes combined with strategic support, following a traditional private equity model with an investment horizon of approximately five to seven years before exit through strategic sales, recapitalizations, or potential public market listings.

### Strategic Partnership

VM Investments Limited (VMIL) is the largest investor in the fund alongside other development-focused partners. This investment reflects VMIL's strategic commitment to supporting SME development, strengthening Jamaica's entrepreneurial ecosystem, and promoting sustainable economic growth. Through this partnership with Actus, the Development Bank of Jamaica, and the World Bank, VMIL contributes capital, strategic insight, and regional market expertise to support the development of high-potential Jamaican businesses.

## Portfolio Development

JASMEF currently has three portfolio companies across sectors including consumer products, financial services, and scientific services.

**BabyLove's C-G Foods Limited (BCG)** joined the portfolio in July 2025. The company manufactures Vineyard Town Premium Blend, a leading Jamaican brand of premium dairy-free ice creams and sorbets distributed through supermarkets, hotels, and resorts. With JASMEF's investment, BCG launched a new ice cream factory and emporium in Ocho Rios, strengthening production capacity and supporting expansion in tourism and export markets.

**Technological Solutions Limited (TSL)** received investment in March 2025. The company provides scientific testing and certification services that support Caribbean exporters in meeting international standards. Founded by Dr. André Gordon, TSL also offers healthcare and laboratory services and continues to expand its regional client base.

**WILCO Finance Limited**, added in December 2023, is a licensed Jamaican microcredit institution that provides financing to individuals and SMEs. With JASMEF's support, the company has expanded its loan deployment and strengthened partnerships that support continued customer growth.

## Impact and Outlook



JASMEF plays an important role in addressing the financing gap faced by SMEs in Jamaica by providing patient capital and strategic support. Through improved governance, operational guidance, and access to international private equity practices, the fund aims to accelerate business growth, support job creation, and strengthen Jamaica's productive sectors.



# Our People

VM Wealth Management Limited continues to view its people as its greatest asset and a key source of competitive advantage. In 2025, our people strategy remained focused on aligning talent to mission-critical roles, strengthening leadership capability, and enhancing our Employee Value Proposition (EVP) to support performance, engagement, and long-term sustainability. In a year characterised by organisational transformation and a challenging external environment, including the post-Hurricane Melissa economic outlook, the priorities were further sharpened to support organisational effectiveness, cost discipline, and workforce resilience, while achieving strong engagement outcomes.



## Talent Management

Throughout 2025, VMWM enhanced its talent pipeline by delivering personalised career development experiences through its Accelerated Development Programme. A key highlight was the continued investment in early-career talent, with team members enrolled in the Junior Professional Programme, supporting workforce continuity and long-term capability building. The Company also launched its internship programme, onboarding 13 interns in its first year and strengthening its approach to attracting and integrating new talent.

The organisation continued to focus on experience-based learning across multiple levels, enabling Team Members to build capability for current roles while preparing for future career progression. Priority areas included strengthening second-tier leadership, enhancing competencies for missioncritical and specialised roles. Investments were also made in data analytics capability through rolespecific and self-paced learning solutions, and we targeted leadership development and international coaching certification, for select leaders.

## Wellness Programmes

Hybrid and flexible work arrangements continued to underpin our progressive agenda and remained central to fostering inclusion, work-life balance, and a results-driven culture.

In 2025, VMWM further embedded well-being and engagement into daily operations through a combination of culture-building initiatives. These included the **Beyond the BalanceScorecard – VMWM Newsletter**, designed to strengthen communication and connection; and various employee appreciation and social engagement activities.

## HR Engagement Survey and Results

In 2025, VM Wealth Management Limited met its **HR Engagement target of 74%**, which is an increase over prior year. This outcome reflects stable engagement levels and effective people management practices during a year of organisational adjustment. Participation in the survey reached **79%**, demonstrating strong Team Member engagement, confidence in leadership, and trust in the feedback process.

Across the engagement drivers, **Culture, Leadership, Employee Value Proposition, and Opportunity** continued to perform strongly, highlighting sustained strengths in organisational values, leadership connection, and career development opportunities.

## Total Rewards

VMWM's Total Rewards Framework continued to support a compelling Team Member Value Proposition.

# Our People

Cont'd

## STAR PERFORMER RECOGNITION

### VM Investments Limited 2025 Quarterly Awards

**Q4 2025**

Winner: Anita Wishart-Allman

**KEY CONTRIBUTIONS:**

Anita demonstrated exceptional all-round performance in Q4 2025, earning perfect scores across all evaluation dimensions. She led business-critical initiatives including audit readiness, client account variance resolution, and repair queue management, achieving zero items at month-end over several consecutive months. Her strong client focus, integrity, and collaborative leadership enhanced client experience, regulatory readiness, and cross-functional effectiveness.

**Q3 2025**

Winner: Akanke Scott

**KEY CONTRIBUTIONS:**

Akanke played a pivotal role in the securitization initiative, supporting business case preparation, deal execution support, reconciliations, and transaction processing during a high-volume quarter. She demonstrated accountability and teamwork while independently executing tasks with minimal oversight. Her analytical tools helped explain complex transactions and supported decision-making.

**Q2 2025**

Winner: Graeme Reid



# Our People

**KEY CONTRIBUTIONS:**

Graeme distinguished himself through disciplined execution and high-quality delivery within the Capital Markets unit. He demonstrated strong ownership of tasks, reliability in time-sensitive transactions, and a collaborative approach to teamwork while continuously improving outputs and supporting colleagues.

**KEY CONTRIBUTIONS:**

Brittanie delivered outstanding performance with exceptional attention to detail and client focus. She played a critical role in the VMIL Bond IPO, supporting execution through weekends and public holidays and assisting with post-IPO audits and error resolution while also training colleagues and ensuring accurate client outcomes.

Throughout the year, engagement was sustained through a balanced mix of recognition, collaboration, and creativity. Monthly birthday celebrations reinforced appreciation for individual contributions, while our annual Sports Day and team-based activities strengthened camaraderie and healthy competition. Creative wellness initiatives such as Sip & Paint offered space for mental renewal and self-expression, supporting overall wellbeing in a demanding industry.

**Q1 2025**

Winner: Brittanie Bell



**Life at VMIL**

Building a Future-Ready Culture

At VMIL and VM Wealth, sustainable growth begins with people. In 2025, the Modern Movers Engagement Committee remained focused on strengthening the cultural foundations that support performance, resilience, and long-term success, fully aligned with our theme, Future-Ready: Strengthening Foundations for Sustainable Growth.

Guided by the belief that “Our Team’s Energy is Our Passion,” the Committee curated a yearlong programme of initiatives designed to foster engagement, promote well-being, and deepen connection across the organisation. The year began grounded in purpose, with a collective moment of reflection that set a unified tone for productivity and progress.

Fundraising events and outreach efforts further strengthened our shared sense of purpose, while observances such as International Women’s Day and International Men’s Day reaffirmed our commitment to inclusivity and respect. Support for communities affected by Hurricane Melissa underscored our belief that a strong internal culture must extend outward through meaningful social impact.

Talent development remained a critical pillar of our foundation-building efforts. In alignment with succession planning priorities, 11% of team members were promoted in 2025, reflecting increased internal mobility and readiness for expanded leadership responsibilities — up from 8% in 2024. This progress signals a strengthening pipeline of future leaders prepared to advance the organisation’s strategic objectives.

To further embed care and psychological safety into our workplace, the Group HR team introduced the Care-Up Champion initiative, a peer-led programme promoting well-being advocacy, early intervention, and open dialogue around resilience. Together with our annual team retreat — which provided space for reflection and strategic alignment — these efforts reinforced trust, collaboration, and shared accountability.

# Our People

Cont'd

Through intentional engagement, structured development, and a culture anchored in purpose, Modern Movers continues to strengthen the human infrastructure that underpins sustainable growth. As we look ahead, we remain committed to nurturing a workplace that is energized, inclusive, and prepared — ensuring that our people, like our strategy, are truly future-ready.

## Total Rewards

VMWM's Total Rewards Framework continued to support a compelling Team Member Value Proposition.



# 2025 Pictorial Highlights





# 2025 Pictorial Highlights

Cont'd →





# VMIL Audited Financial Statements

As at December 31, 2025



INDEPENDENT AUDITORS' REPORT

# To the Members of VM Investments Limited

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

## 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 101 to 158, 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.

## 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.

Fair value of level 3 investments	
The key audit matter [see notes 6 and 29]	How the matter was addressed in our audit
<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>

KPMG, a Jamaican partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

Rajan Trehan  
Norman O. Rainford  
Nigel R. Chambers  
Nysea A. Johnson

Wilbert A. Spence  
Sandra A. Edwards  
Karen Ragoobirsingh  
Al A. Johnson

Damion D. Reid  
Uday Bhalara



INDEPENDENT AUDITORS' REPORT

# To the Members of VM Investments Limited

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

### Other Information

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

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

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

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

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

Management is responsible for the preparation 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.

## 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.

Chartered Accountants  
Kingston, Jamaica

March 31, 2026



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.

## 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.


# Statement of Financial Position


December 31, 2025

Notes	Group		Company		
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'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 associate	7	2,047,503	1,875,084	2,047,503	1,875,084
<b>TOTAL ASSETS</b>		<b>35,062,924</b>	<b>30,455,151</b>	<b>10,978,524</b>	<b>10,430,079</b>
<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)	34,400	35,000	-	-
<b>TOTAL LIABILITIES</b>		<b>30,411,002</b>	<b>25,837,018</b>	<b>9,254,765</b>	<b>9,077,701</b>

Notes	Group		Company		
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000	
<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		3,041,792	3,061,297	920,268	568,071
Equity attributable to owners of the company		3,101,922	3,068,133	1,723,759	1,352,378
Non-controlling interest	21	1,550,000	1,550,000	-	-
<b>TOTAL EQUITY</b>		<b>4,651,922</b>	<b>4,618,133</b>	<b>1,723,759</b>	<b>1,352,378</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>35,062,924</b>	<b>30,455,151</b>	<b>10,978,524</b>	<b>10,430,079</b>

The financial statements on pages 101 to 158 were approved for issue by the Board of Directors on March 31, 2026 and signed on its behalf by:

  
Michael Morris, Director

  
Rezworth Burchenson, Chief Executive Officer

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

# Income Statements

December 31, 2025

# Statements of Comprehensive Income

Year ended December 31, 2025

	Notes	Group		Company	
		2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
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		10,406	13,682	-	-
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.

	Notes	Group		Company	
		2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
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	(70,890)	168,300	-	-
Remeasurement of employee benefit obligation	16(b)(i)	3,800	(9,900)	-	-
Deferred tax on remeasurement of employee benefit obligation	11	(1,267)	3,300	-	-
		<u>2,533</u>	<u>(6,600)</u>	<u>-</u>	<u>-</u>
Net gains/(losses) on investment in equity instruments designated at FVOCI		<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)	39,859	14,648	39,859	14,648
Change in fair value of debt securities at FVOCI, net of expected credit losses	29(c)	133,027	31,197	(20,675)	-
Deferred tax on change in fair value of investment securities measured at FVOCI	11	(51,235)	(10,398)	-	-
		<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.

# Consolidated Statement of Changes in Equity

Year ended December 31, 2025

	Attributions by owners of the company					Total	Non-controlling interest (note 21) \$'000	Total equity \$'000
	Share capital (note 19) \$'000	Share premium (note 19) \$'000	Investment revaluation reserve (note 20(a)) \$'000	Other reserve (note 20(b)) \$'000	Retained earnings \$'000			
Balances at December 31, 2023	707,887	24,000	(980,570)	58,372	2,690,520	2,500,209	1,550,000	4,050,209
Comprehensive income:								
Profit for the year	-	-	-	-	555,722	555,722	-	555,722
Other comprehensive income:								
Currency translation adjustment on investment in associate	-	-	-	14,648	-	14,648	-	14,648
Change in fair value of debt securities, net of deferred tax and expected credit losses	-	-	20,799	-	-	20,799	-	20,799
Change in fair value of equities at FVOCI	-	-	168,300	-	-	168,300	-	168,300
Remeasurement of employee benefit obligation, net of deferred tax	-	-	-	(6,600)	-	(6,600)	-	(6,600)
Total other comprehensive income	-	-	189,099	8,048	-	197,147	-	197,147
Total comprehensive income for the year	-	-	189,099	8,048	555,722	752,869	-	752,869
Transactions with owners:								
Dividends declared but not paid to immediate parent company [(note 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)
Balances at December 31, 2024	707,887	24,000	(791,471)	66,420	3,061,297	3,068,133	1,550,000	4,618,133
Comprehensive income:								
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)
Balances at December 31, 2025	707,887	24,000	(780,569)	108,812	3,041,792	3,101,922	1,550,000	4,651,922

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

# Company Statement of Changes in Equity

Year ended December 31, 2025

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

VMIL AUDITED FINANCIAL STATEMENTS 2025

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

# Statements of Cash Flows

Year ended December 31, 2025

Notes	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'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 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 ( 127,341)	( 101,038)	( 47,175)	( 127,406)
	( 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	64,643	76,390	34,684	58,999
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>

Notes	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
<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	( 185,481)	( 127,502)	-	( 127,502)
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	9,956	2,361	-	7
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<u>4 681,291</u>	<u>1,469,290</u>	<u>111,773</u>	<u>114,452</u>

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

# 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”).

## 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.

# Notes to the Financial Statements

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:

- Debt instruments at fair value through other comprehensive income (FVOCI), measured at fair value.
- Equity securities at fair value through profit or loss (FVTPL), measured at fair value.
- Certain equity securities designated as at FVOCI, measured at fair value.
- 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.

## 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

# Notes to the Financial Statements

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.

## 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.

# Notes to the Financial Statements

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.

## 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.

# Notes to the Financial Statements

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.

### 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.

# Notes to the Financial Statements

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.

## 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.

# Notes to the Financial Statements

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'.

## 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.

# Notes to the Financial Statements

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.

## 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.

# Notes to the Financial Statements

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.

## 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.

# Notes to the Financial Statements

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.

## 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.

# Notes to the Financial Statements

Year ended December 31, 2025

## 3. Material accounting policies (continued)

### (i) Leases (continued)

#### (a) As a lessee (continued)

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

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

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

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

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

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

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

#### Short-term leases

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

## 3. Material accounting policies (continued)

### (i) 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.

# Notes to the Financial Statements

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	The group provides stockbroking services to customers.  A fixed fee is charged for each transaction executed.	Revenue related to transactions is recognised at the point in time when the transaction takes place.
Corporate advisory services	The group provides finance-related services including loan administration services, administration of a loan syndication, execution of client transactions with exchanges and securities underwriting.  Transaction-based fees for administration of a loan syndication, execution of transactions, and securities underwriting are charged when the transaction takes place.	Revenue related to transactions is recognised at the point in time when the transaction takes place.

### 3. Material accounting policies (continued)

(n) Fee and commission income (continued)

Type	Nature and timing of satisfaction of performance obligation, including significant payment term	Revenue recognition under IFRS 15
Portfolio asset management service	The group provides portfolio/asset management services.  Fees for provides portfolio/asset management services are calculated based on a fixed percentage of the value of assets managed and deducted from the customer's account balance on a monthly basis.	Revenue from portfolio/asset management services is recognised over time as the services are provided.

(o) Share capital

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

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

(p) Segment reporting

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

# Notes to the Financial Statements

Year ended December 31, 2025

## 4. Cash and cash equivalents

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Bank accounts	655,939	1,435,520	111,773	114,452
Accounts with brokers	<u>25,352</u>	<u>33,770</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').

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Denominated in Jamaica dollars	-	500,000	-	500,000
Denominated in United States dollars [US\$10,641,590 (2024: US\$2,325,000)]	<u>1,691,219</u>	<u>361,775</u>	<u>1,691,219</u>	<u>861,775</u>
Less allowance for expected credit losses [note 28(b)(v)(d)]	( <u>27</u> )	-	( <u>27</u> )	-
	<u>1,691,192</u>	<u>861,775</u>	<u>1,691,192</u>	<u>861,775</u>
	Company		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Denominated in Jamaica dollars	-	410,974	-	410,974
Denominated in United States dollars [US \$Nil (2024: US \$180,000)]	-	<u>28,008</u>	-	<u>28,008</u>
	-	<u>438,982</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.

## 6. Investment securities

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Investment securities at FVTPL:				
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 [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>
Debt securities at amortised cost:				
Corporate bonds	1,024,998	553,227	1,024,998	553,227
Preference shares	<u>64,000</u>	<u>365,000</u>	-	-
	<u>1,088,998</u>	<u>918,227</u>	<u>1,024,998</u>	<u>553,227</u>
Investment securities at FVOCI:				
Jamaica quoted equities	<u>607,404</u>	<u>678,300</u>	-	-
Debt securities at FVOCI:				
Government of Jamaica securities:				
Treasury bills	-	1,000	-	-
Investment notes	7,658,033	5,499,841	-	-
US\$ bonds [US\$64,812,906 (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 (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	-	-
JS 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 allowance for impairment	24,743,548	19,486,985	4,070,344	2,269,546
Less allowance for impairment on instruments at amortised cost [note 28(b)(v)(d)]	( <u>3,672</u> )	( <u>15,424</u> )	( <u>2,757</u> )	( <u>10,305</u> )
	<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 investments at FVOCI [note 28(b)(iv)(d)]	( <u>32,761</u> )	( <u>23,283</u> )	( <u>575</u> )	-

# Notes to the Financial Statements

Year ended December 31, 2025

## 6. Investment securities (continued)

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

	Group 2025					Total \$'000
	Current		Non-current			
	Within 3 month \$'000	3 months to 1 year \$'000	1 to 5 years \$'000	More than 5 years \$'000	No maturity \$'000	
Investment securities at FVTPL						
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>1,100,791</u>	-	<u>589,023</u>	<u>1,689,814</u>
Debt securities at amortised cost:						
Corporate bonds	435,000	-	291,000	298,998	-	1,024,998
Preference shares	-	-	64,000	-	-	64,000
	<u>435,000</u>	-	<u>355,000</u>	<u>298,998</u>	-	<u>1,088,998</u>
Investment securities at FVOCI:						
Jamaican quoted equities	-	-	-	-	607,404	607,404
Debt instruments at FVOCI:						
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	<u>208,000</u>	<u>54,831</u>	<u>657,031</u>	<u>711,311</u>	-	<u>1,631,173</u>
	<u>366,353</u>	<u>448,887</u>	<u>8,620,308</u>	<u>11,921,784</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>

## 6. Investment securities (continued)

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

	Group 2024					Total \$'000
	Current		Non-current			
	Within 3 month \$'000	3 months to 1 year \$'000	1 to 5 years \$'000	More than 5 years \$'000	No maturity \$'000	
Investment securities at FVTPL:						
Unquoted equities	-	-	-	-	77,320	77,320
Quoted equities	-	-	-	-	382,557	382,557
Redeemable preference shares	-	-	216,920	-	-	216,920
US\$ convertible preference shares	-	-	801,351	-	-	801,351
Convertible corporate note	-	-	-	14,153	-	14,153
Unit in unit trust funds	-	-	-	-	595,455	595,455
	-	-	<u>1,018,271</u>	<u>14,153</u>	<u>1,055,332</u>	<u>2,087,756</u>
Debt securities at amortised cost:						
Corporate bonds	-	-	459,982	93,335	-	553,227
Preference shares	-	-	365,000	-	-	365,000
	-	-	<u>824,982</u>	<u>93,335</u>	-	<u>918,227</u>
Investment securities at FVOCI:						
Jamaican quoted equities	-	-	-	-	678,300	678,300
Debt instruments at FVOCI:						
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>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>

# Notes to the Financial Statements

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):

	Company				Total
	2025				
	Current	Non-current			
3 months to 1 year	1 to 5 years	More than 5 years	No maturity		
	\$'000	\$'000	\$'000	\$'000	\$'000
Investment securities at FVTPL:					
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
	-	1,100,791	-	587,952	1,688,743
Debt securities at amortised cost:					
Corporate bonds	435,000	291,000	298,998	-	1,024,998
Debt instruments at FVOCI:					
US\$ bonds	-	1,734	1,354,869	-	1,356,603
	-	1,393,525	1,653,867	587,952	4,070,344

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

## 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.

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

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:

	Group	
	2025	2024
	\$'000	\$'000
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	183,378	75,644
Balance at end of year	21,357,332	15,802,702

# Notes to the Financial Statements

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):

	Company	
	2025 \$'000	2024 \$'000
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:

Type of structured entity	Nature and purpose	Interest held by the Group
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

## 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.

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

	Number of Investee funds	Group 2024	Company
		Carrying Amount \$'000	Carrying Amount
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 associate

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

# Notes to the Financial Statements

Year ended December 31, 2025

## 7. Interest in associate (continued)

Effective December 30, 2022, the company acquired 23% shareholding in Kingston Properties Limited (KPREIT).

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

	Group and Company	
	2025 \$'000	2024 \$'000
Percentage ownership interest in KPREIT	<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>
Carrying amount of interest in KPREIT	<u>2,047,503</u>	<u>1,875,084</u>
Revenue	<u>1,350,044</u>	<u>1,474,158</u>
Profit from continuing operations	<u>652,239</u>	<u>840,737</u>
Share of profit from continuing operations	<u>151,014</u>	<u>193,370</u>
Dividend	<u>18,454</u>	<u>52,194</u>

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

	Group and Company	
	2025 \$'000	2024 \$'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>

## 7. Interest in associate (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

	Company	
	2025 \$'000	2024 \$'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)

# Notes to the Financial Statements

Year ended December 31, 2025

## 9. Loans receivable

	Group and Company	
	2025 \$'000	2024 \$'000
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 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:

	Group and Company	
	2025 \$'000	2024 \$'000
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>	( 743)
At end of year	<u>3,582,030</u>	<u>4,663,952</u>

## 10. Accounts receivable and prepayments

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Customer receivables	100,619	130,720	-	-
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>
	651,062	455,415	196,270	160,178
	<u>751,681</u>	<u>586,135</u>	<u>196,270</u>	<u>160,178</u>

## 10. Accounts receivable and prepayments (continued)

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

	Group	
	2025 \$'000	2024 \$'000
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

	Group 2025		
	Included in interest receivable \$'000	Other accounts receivable \$'000	Total [note 32(c)] \$'000
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>

	Company 2025		
	Included in interest receivable \$'000	Other accounts receivable \$'000	Total [note 32(c)] \$'000
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>

	Group 2024		
	Included in interest receivable \$'000	Other accounts receivable \$'000	Total [note 32(c)] \$'000
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>

	Company 2024		
	Included in interest receivable \$'000	Other accounts receivable \$'000	Total [note 32(c)] \$'000
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>

# Notes to the Financial Statements

Year ended December 31, 2025

## 11. Deferred tax asset

	Group 2025			
	2024 \$'000	Recognised in OCI \$'000	Recognised in income (note 27) \$'000	2025 \$'000
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>

	Group 2024			
	2023 \$'000	Recognised in OCI \$'000	Recognised in income (note 27) \$'000	2024 \$'000
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>

## 11. Deferred tax asset (continued)

	Company				
	2023 (note 27) \$'000	Recognised in income \$'000	2024 \$'000	Recognised in income (note 27) \$'000	2025 \$'000
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

	Group				
	Leasehold property [note 18(a)(i)] \$'000	Computer equipment \$'000	Furniture and fixtures \$'000	Leasehold improvements \$'000	Total \$'000
Cost:					
December 31, 2023	99,275	37,586	112,800	31,116	280,777
Additions	-	3,083	254	5,401	8,738
December 31, 2024	99,275	40,669	113,054	36,517	289,515
Additions	-	2,595	11,176	13,795	27,566
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>

# Notes to the Financial Statements

Year ended December 31, 2025

## 13. Intangible assets

	Group		
	Computer software \$'000	Exclusive rights \$'000	Total \$'000
Cost:			
December 31, 2023	589,164	-	589,164
Additions	58,583	56,017	114,600
Transfers from prepayments	<u>61,675</u>	-	<u>61,675</u>
December 31, 2024	709,422	56,017	765,439
Additions	<u>18,184</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).

	Company Computer software \$'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>

## 14. Accounts payable

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Customer payable	<u>1,445,386</u>	<u>2,341,955</u>	-	-
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	<u>482,764</u>	<u>417,201</u>	<u>211,019</u>	<u>144,610</u>
	<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:

	Group 2025		
	Interest payable \$'000	Other accounts payable \$'000	Total [note 32(c)] \$'000
Due to fellow subsidiaries [note 32(c)]	<u>29,082</u>	<u>27,546</u>	<u>56,628</u>
	Company 2025		
	Included in interest payable \$'000	Other accounts payable \$'000	Total [note 32(c)] \$'000
Due to subsidiary company [note 32(c)]	3,293	182,386	185,679
Due to fellow subsidiaries [note 32(c)]	-	<u>1,304</u>	<u>1,304</u>

# Notes to the Financial Statements

Year ended December 31, 2025

## 14. Accounts payable (continued)

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

	Group 2024			
	Included in customer payable	Interest payable	Other accounts payable	Total [note 32(c)]
	\$'000	\$'000	\$'000	\$'000
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>11,053</u>	<u>83,521</u>	<u>94,574</u>

	Company 2024		
	Included in interest payable	Other accounts payable	Total [note 32(c)]
	\$'000	\$'000	\$'000
Due to subsidiary company [note 32(c)]	289	-	289
Due to related parties [note 32(c)]	-	<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').

	Group	
	2025 \$'000	2024 \$'000
Denominated in Jamaica dollars	9,438,695	6,039,967
Denominated in United States dollars [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>

## 15. Repurchase agreements (continued)

	Company	
	2025 \$'000	2024 \$'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.

# Notes to the Financial Statements

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>	<u>2024</u>
	\$'000	\$'000
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>	<u>2024</u>
	\$'000	\$'000
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>	<u>2024</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).

## 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>	
	1.0% increase	1.0% decrease	1.0% increase	1.0% decrease
	\$'000	\$'000	\$'000	\$'000
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</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
	\$'000	\$'000	\$'000	\$'000
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.

# Notes to the Financial Statements

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.

## 17. Borrowings (continued)

	Group			
	2025		2024	
	Face value \$'000	Carrying amount \$'000	Face value \$'000	Carrying amount \$'000
Fixed and variable unsecured 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>

	Company			
	2025		2024	
	Face value \$'000	Carrying amount \$'000	Face value \$'000	Carrying amount \$'000
Fixed and variable unsecured 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:

	Group 2025		
	Borrowings \$'000	Other loans \$'000	Total borrowings & other loans \$'000
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	<u>(2,776,362)</u>	<u>(438,621)</u>	<u>(3,214,983)</u>
	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>

# Notes to the Financial Statements

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):

	Group 2024		
	Borrowings \$'000	Other loans \$'000	Total borrowings & other loans \$'000
Balance as at January 1, 2024	7,154,375	1,502,654	8,657,029
Proceeds from loans and borrowings	1,670,091	-	1,670,091
Repayment of loans and borrowings	(1,116,843)	( 748,312)	(1,865,155)
	7,707,623	754,342	8,461,965
Other changes:			
Transaction cost amortised	-	6,857	6,857
Balance as at December 31, 2024	<u>7,707,623</u>	<u>761,199</u>	<u>8,468,822</u>

	Company 2025		
	Borrowings \$'000	Other loans \$'000	Total borrowings & other loans \$'000
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>

	Company 2024		
	Borrowings \$'000	Other loans \$'000	Total borrowings & other loans \$'000
Balance as at January 1, 2024	7,066,438	1,502,654	8,569,092
Proceeds from loans and borrowings	1,670,091	-	1,670,091
Repayment of loans and borrowings	(1,098,620)	( 748,312)	(1,846,932)
	7,637,909	754,342	8,392,251
Other changes:			
Transaction cost	( 12,394)	-	( 12,394)
Transaction cost amortised	68,886	6,857	75,743
Balance as at December 31, 2024	<u>7,694,401</u>	<u>761,199</u>	<u>8,455,600</u>

## 18. Leases

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

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

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

### (a) Leases as lessee

#### (i) Right-of-use assets

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

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

#### (ii) Lease liabilities:

	Group	
	2025 \$'000	2024 \$'000
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	-	-
	32,166	49,671
Less future interest charges	( 3,673)	( 7,286)
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>

# Notes to the Financial Statements

Year ended December 31, 2025

## 18. Leases (continued)

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

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

### (a) Leases as lessee (continued)

#### (i) Amounts recognised in profit or loss

	Group	
	2025 \$'000	2024 \$'000
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

	Group	
	2025 \$'000	2024 \$'000
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).

## 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:

	Group and Company	
	2025 \$'000	2024 \$'000
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

	Company	
	2025 \$'000	2024 \$'000
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
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.

# Notes to the Financial Statements

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.

## 22. Net interest income

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
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	<u>361,780</u>	<u>467,045</u>	<u>361,384</u>	<u>467,045</u>
	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	<u>450</u>	<u>16,476</u>	<u>450</u>	<u>10</u>
	<u>1,737,641</u>	<u>1,747,422</u>	<u>678,194</u>	<u>795,741</u>
Interest expense:				
Repurchase agreements	( 821,275)	( 758,091)	( 67,614)	( 35,389)
Loans and borrowings	<u>( 725,521)</u>	<u>( 833,002)</u>	<u>(725,521)</u>	<u>(833,002)</u>
	(1,546,796)	(1,591,093)	(793,135)	(868,391)
Lease liabilities [note 18(iv)]	<u>( 3,613)</u>	<u>( 4,930)</u>	<u>-</u>	<u>-</u>
	<u>(1,550,409)</u>	<u>(1,596,023)</u>	<u>(793,135)</u>	<u>(868,391)</u>
Net interest income/(expense)	<u>187,232</u>	<u>151,399</u>	<u>(114,941)</u>	<u>( 72,650)</u>

## 23. Gains from investment activities

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
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)	<u>8,289</u>	<u>9,795</u>	<u>24,574</u>	<u>12,929</u>
	<u>1,110,210</u>	<u>1,437,398</u>	<u>408,874</u>	<u>725,820</u>

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

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## 24. Fees and commissions income

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
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

	Group	
	2025 \$'000	2024 \$'000
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

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
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>

## 26. Other operating costs (continued)

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
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 33½% (2024: 33½%) 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:

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
(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>

# Notes to the Financial Statements

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:

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
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) /not deductible for 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.

### (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.

# Notes to the Financial Statements

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.

## 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 subject to collateral requirements		
	2025	2024	Collateral type
Loan advances to customers			
Margin loans	99%	83%	Debt and equity securities
Corporate loans	100%	100%	Real property, shares, debt securities
Resale agreements	100%	100%	Debt securities

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

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

	Note	Group and Company	
		2025 \$'000	2024 \$'000
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>

# Notes to the Financial Statements

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:

	Group 2025	
	12-month PD ranges %	Stage 1 12-month ECL \$'000
Credit grade		
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 in accounts receivable		( 345,712)
(note 6)		<u>21,357,332</u>
Loss allowance (note 6)		<u>32,761</u>

## 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):

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

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

# Notes to the Financial Statements

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:

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

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

## 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):

	Company 2025				
	12-month PD ranges	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
	%	\$'000	\$'000	\$'000	\$'000
Credit grade					
Non-Investment grade	0.3-3.0	1,845,237	47,882	-	1,893,119
Default	100.00	-	-	2,809,826	2,809,826
Gross carrying amount including interest receivable (notes 5,6,9)		1,845,237	47,882	2,809,826	4,702,945
Loss allowance [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, included in accounts receivable		(76,589)	-	-	(76,589)
		<u>1,765,337</u>	<u>47,879</u>	<u>2,264,930</u>	<u>4,078,146</u>

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

# Notes to the Financial Statements

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

	Group and Company			
	2025			
	Stage 1	Stage 2	Stage 3	Total
	\$'000	\$'000	\$'000	\$'000
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	-	-	-	-
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>

	Group and Company			
	2024			
	Stage 1	Stage 2	Stage 3	Total
	\$'000	\$'000	\$'000	\$'000
Current	3,335,023	-	144,055	3,479,078
Past due 1-30 days	234	-	-	234
Past due 31-60 days	-	5,663	-	5,663
Past due 61-90 days	-	158,309	-	158,309
Past due over 90 days	-	-	1,020,668	1,020,668
	<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.

## 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.

# Notes to the Financial Statements

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.

## 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.

# Notes to the Financial Statements

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:

	2025	2026
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.

## 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.

# Notes to the Financial Statements

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:

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

## 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)

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

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

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

# Notes to the Financial Statements

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):

	Group 2024			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
	\$'000	\$'000	\$'000	\$'000
Balance as at January 1, 2024	17,455	306	287,098	304,859
New financial assets originated/purchased	7,001	168	420	7,589
Financial assets derecognised during the year	( 511)	-	-	( 511)
Changes to inputs used in ECL calculation	( 6,191)	(306)	272,269	265,772
Net remeasurement of loss allowance [note 28(b)(v)(f)]	299	(138)	272,689	272,850
Balance as at December 31, 2024 [notes 5, 6, 9 and 18(b)]	17,754	168	559,787	577,709

	Company 2025			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
	\$'000	\$'000	\$'000	\$'000
Balance as at January 1, 2025	12,635	168	559,787	572,590
New financial assets originated/purchased	982	-	40,031	41,013
Financial assets derecognised during the year	724	-	-	724
Changes in inputs used in ECL calculations	( 9,569)	(165)	( 54,922)	( 64,655)
Net remeasurement of loss allowance [note 28(b)(v)(f)]	( 9,311)	(165)	( 14,891)	( 24,367)
Balance as at December 31, 2025 [note 5, 6, 9, 18(b)]	3,324	3	544,896	548,223

## 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):

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

#### (e) Expected credit loss assessment

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

Age buckets	Group 2025			
	Weighted average loss rate	Gross carrying amount \$'000	Loss allowance \$'000	Credit impaired
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%	192,902	224,066	Yes
		345,528	225,274	

# Notes to the Financial Statements

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).

	Group 2024			
	Weighted average loss rate	Gross carrying amount \$'000	Loss allowance \$'000	Credit impaired
Age buckets				
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>	
	Company 2025			
Age buckets	Weighted average loss rate	Gross carrying amount \$'000	Loss allowance \$'000	Credit impaired
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>	

## 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:

	Group	
	2025 \$'000	2024 \$'000
Debt securities at FVOCI (note 6)	9,478	( 6,917)
Resale agreements, debt securities, loans receivable, 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>
	Company	
	2025 \$'000	2024 \$'000
Debt securities at FVOCI	575	-
Debt securities, finance leases, loans receivable and resale agreements at amortised cost [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.

# Notes to the Financial Statements

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.

## 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.

	Group				
	2025				
	Within 3 months	3 to 12 months	Over 12 months	Contractual cashflow	Carrying amount
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Financial assets</b>					
Cash and cash equivalents	681,291	-	-	681,291	681,291
Resale agreements, 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 investment in finance leases, including interest	1,236,354	464,172	2,079,457	3,779,983	3,082,953
Accounts receivable *	209,497	-	-	209,497	209,497
<b>Total financial assets</b>	<b>4,548,926</b>	<b>1,169,376</b>	<b>40,275,997</b>	<b>45,994,300</b>	<b>29,798,094</b>
<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, including interest	17,301,707	4,617,664	-	21,919,371	21,909,566
Lease liabilities including interest	3,628	13,614	14,924	32,166	28,492
Due to ultimate parent company	8,366	-	-	8,366	8,366
Due to immediate parent company	147,426	-	-	147,426	147,426
<b>Total financial liabilities</b>	<b>19,325,720</b>	<b>8,870,503</b>	<b>3,594,403</b>	<b>31,790,626</b>	<b>30,977,829</b>
On statement of financial position gap, being total liquidity gap	(14,776,793)	(7,701,127)	36,681,594	14,203,674	
<b>Cumulative gap</b>	<b>(14,776,793)</b>	<b>(22,477,920)</b>	<b>14,203,674</b>	<b>-</b>	

# Notes to the Financial Statements

Year ended December 31, 2025

## 28. Financial instruments-risk management (continued)

### (c) Liquidity risk (continued)

	Group 2024				
	Within 3 months \$'000	3 to 12 months \$'000	Over 12 months \$'000	Contractual cashflow \$'000	Carrying amount \$'000
Financial assets					
Cash and cash equivalents	1,469,290	-	-	1,469,290	1,469,290
Resale agreements, including interest	416,949	453,586	-	870,535	863,364
Investment securities	1,174,584	316,882	27,007,115	28,498,581	18,037,435
Loans receivable and net investment in finance leases, including interest	946,890	1,182,641	3,514,122	5,643,653	4,218,200
Accounts receivable *	<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>
Financial liabilities					
Borrowings	6,272,738	739,209	2,537,038	9,548,985	8,468,822
Accounts payable **	2,708,130	-	-	2,708,130	2,708,130
Repurchase agreements, including interest	10,102,384	3,717,736	251,725	14,071,845	14,066,295
Lease liabilities including interest	4,377	13,130	32,164	49,671	42,385
Due to ultimate parent company	3,840	-	-	3,840	3,840
Due to immediate parent company	<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 position gap, being total 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>	

## 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.

	Company 2025				
	Within 3 months \$'000	3 to 12 months \$'000	Over 12 months \$'000	Contractual cashflow \$'000	Carrying amount \$'000
Financial assets					
Cash and cash equivalents	111,773	-	-	111,773	111,773
Loans receivable and net investment in finance leases 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>
Financial liabilities					
Borrowings	-	4,239,225	3,579,479	7,818,704	7,006,163
Accounts payable**	143,554	-	-	143,554	143,554
Repurchase agreements, including interest	1,732,185	-	-	1,732,185	1,722,380
Due to ultimate parent 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 position gap, being total liquidity gap	<u>(159,935)</u>	<u>(3,775,053)</u>	<u>3,855,996</u>	<u>(79,022)</u>	
Cumulative gap	<u>(159,935)</u>	<u>(3,934,988)</u>	<u>(79,022)</u>	<u>-</u>	

# Notes to the Financial Statements

Year ended December 31, 2025

## 28. Financial instruments-risk management (continued)

### (c) Liquidity risk (continued)

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

\*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.

## 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:

	Group		Company	
	2025 US\$'000	2024 US\$'000	2025 US\$'000	2024 US\$'000
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	4,386	1,152	1,303	175
	<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	77,288	50,728	5,984	-
	<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>

# Notes to the Financial Statements

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:

	2025	2024
	\$	\$
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.

	Group			
	2025		2024	
	% Change in Currency Rate	Effect on Profit	% Change in Currency Rate	Effect on Profit
	%	\$'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>

	Company			
	2025		2024	
	% Change in Currency Rate	Effect on Profit	% Change in Currency Rate	Effect on Profit
	%	\$'000	%	\$'000
Currency:				
US\$	<u>1% Revaluation</u>	<u>2,908</u>	<u>1% Revaluation</u>	<u>9,776</u>
US\$	<u>1.5% Devaluation</u>	<u>(4,363)</u>	<u>4% Devaluation</u>	<u>(39,106)</u>

## 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.

	Group				
	2025				
	Within 3 months	3 to 12 months	Over 12 months	Non-rate sensitive	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets					
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>
Financial liabilities					
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>

# Notes to the Financial Statements

Year ended December 31, 2025

## 28. Financial instruments-risk management (continued)

### (d) Market risk (continued)

#### (ii) Interest rate risk (continued)

	Group 2024				
	Within 3 months \$'000	3 to 12 months \$'000	Over 12 months \$'000	Non-rate sensitive \$'000	Total \$'000
Financial assets					
Cash and cash equivalents	389,112	-	-	1,080,178	1,469,290
Resale agreements***	280,785	82,285	-	500,526	863,596
Loans receivable ***	780,517	872,007	3,072,633	-	4,725,157
Investment securities***	1,175,695	186,370	15,912,965	2,500,911	19,775,940
Accounts receivable*	-	-	-	207,829	207,829
Net investment in finance leases	<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>
Financial liabilities					
Lease liabilities	-	-	-	42,385	42,385
Repurchase agreements	10,097,252	3,717,318	251,677	-	14,066,247
Borrowings	5,619,392	511,158	2,363,883	-	8,494,433
Due to immediate parent company	-	-	-	128,212	128,212
Due to ultimate parent company	-	-	-	3,840	3,840
Accounts payable**	-	-	-	2,708,130	2,708,130
Total financial liabilities	<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>

	Company 2025				
	Within 3 months \$'000	3 to 12 months \$'000	Over 12 months \$'000	Non-rate sensitive \$'000	Total \$'000
Financial assets					
Cash and cash equivalents	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>
Financial liabilities					
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>

## 28. Financial instruments-risk management (continued)

### (d) Market risk (continued)

#### (ii) Interest rate risk (continued)

	Company 2024				
	Within 3 months \$'000	3 to 12 months \$'000	Over 12 months \$'000	Non-rate sensitive \$'000	Total \$'000
Financial assets					
Cash and cash equivalents	114,452	-	-	-	114,452
Investment securities***	48,852	-	1,183,373	1,086,174	2,318,398
Net investment in finance leases	10,912	25,438	18,409	-	54,759
Resale agreement***	439,098	-	-	-	439,098
Loans receivable***	780,516	872,007	3,072,633	-	4,725,157
Accounts receivable*	-	-	-	41,872	41,872
Total financial assets	<u>1,393,831</u>	<u>897,445</u>	<u>4,274,415</u>	<u>1,128,046</u>	<u>7,693,737</u>
Financial liabilities					
Borrowings	5,606,170	511,158	2,363,883	-	8,481,211
Repurchase agreements***	378,289	-	-	-	378,289
Accounts payable**	-	-	-	74,500	74,500
Due to ultimate parent	-	-	-	1,044	1,044
Due to subsidiary company	-	-	-	1,810	1,810
Total financial liabilities	<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.

# Notes to the Financial Statements

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:

	2025			
	Group			
	Within 3 months %	3 to 12 months %	Over 12 months %	Overall average %
<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>
	2024			
	Group			
	Within 3 months %	3 to 12 months %	Over 12 months %	Overall average %
<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>

## 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):

	2025			
	Company			
	Within 3 months %	3 to 12 months %	Over 12 months %	Overall average %
<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>
	2024			
	Company			
	Within 3 months %	3 to 12 months %	Over 12 months %	Overall average %
<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>

# Notes to the Financial Statements

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.

	2025		2024		
	Increase by 25/decrease by 50 bps		Increase/decrease by 50 bps		
	Increase by 25/decrease by 50 bps		Increase/decrease by 50 bps		
J\$ interest rates					
US\$ interest rates					
	2025		2024		
Change in basis points	Effect on Profit	Effect on equity	Change in basis points	Effect on Profit	Effect on equity
JMD/USD	\$'000	\$'000	JMD/USD	\$'000	\$'000
+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.

## 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:

	2025 \$'000	2024 \$'000
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>
Operational risk-weighted assets	<u>25,564,895</u>	<u>18,457,471</u>
	<u>471,376</u>	<u>458,133</u>
	<u>26,036,271</u>	<u>18,915,604</u>

### Capital adequacy ratios:

	FSC Benchmark	2025	2024
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.

# Notes to the Financial Statements

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:

	2025 \$'000	2024 \$'000
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>
	JSE Benchmark	
	2025	2024
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.

## 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.

# Notes to the Financial Statements

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
JS 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>

## 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	<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> </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> </ul>
Call options	<ul style="list-style-type: none"> <li>Applying the Black Scholes merton formula</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>
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>	<ul style="list-style-type: none"> <li>There are no significant unobservable inputs</li> </ul>		
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).

# Notes to the Financial Statements

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.

	Group			
	Redeemable preference shares	Convertible preference shares	Unquoted Equities	Total
	\$'000	\$'000	\$'000	\$'000
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 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 exchange rates	-	14,216	-	14,216
Balance at 31 December 2025	-	1,087,458	245,935	1,333,393

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

## 29. Financial instruments - fair values (continued)

- (c) Accounting classifications and fair values:

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

	Group							
	Carrying amount				Fair value			
	FVOCI	Fair value through profit or loss	Amortised cost	Total	Level 1	Level 2	Level 3	Total
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets measured at fair value:								
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	1,631,173	-	1,024,998	2,656,171	1,455,613	1,122,814	-	2,578,427
	<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>
Financial assets not measured at fair value:								
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>5,579,340</u>	<u>5,579,340</u>	<u>-</u>	<u>5,579,340</u>	<u>-</u>	<u>5,579,340</u>
Financial liabilities not measured at fair value:								
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	-	-	2,104,216	2,104,216	-	2,104,216	-	2,104,216
	<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>

# Notes to the Financial Statements

Year ended December 31, 2025

## 29. Financial instruments - fair values (continued)

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

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

	Group							
	2024				2025			
	Carrying amount		Fair value		Carrying amount		Fair value	
FVOCI	Fair value through profit or loss	Amortised cost	Total	Level 1	Level 2	Level 3	Total	
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Financial assets measured at fair value:								
Unquoted equities	-	77,320	-	77,320	-	-	77,320	77,320
Quoted equities	678,300	382,557	-	1,060,857	1,060,857	-	-	1,060,857
Units in unit trust funds	-	595,455	-	595,455	-	595,455	-	595,455
Redeemable preference shares	-	216,920	-	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>-</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>
Financial assets not measured at fair value:								
Cash and cash resources	-	-	1,469,290	1,469,290	-	1,469,290	-	1,469,290
Resale agreements	-	-	861,775	861,775	-	861,775	-	861,775
Redeemable preference shares	-	-	365,000	365,000	-	365,000	-	365,000
Corporate bonds	-	-	553,227	553,227	-	2,464,788	-	2,464,788
Net investment in finance leases	-	-	54,759	54,759	-	54,759	-	54,759
Loans receivable	-	-	4,102,234	4,102,234	-	4,102,234	-	4,102,234
Accounts receivable excluding prepaid expense	-	-	559,943	559,943	-	559,943	-	559,943
	<u>-</u>	<u>-</u>	<u>7,966,228</u>	<u>7,966,228</u>	<u>-</u>	<u>7,966,228</u>	<u>-</u>	<u>7,966,228</u>
Financial liabilities not measured at fair value:								
Due to ultimate parent company	-	-	3,840	3,840	-	3,840	-	3,840
Borrowings	-	-	8,468,822	8,468,822	-	8,468,822	-	8,468,822
Lease liabilities	-	-	42,385	42,385	-	42,385	-	42,385
Repurchase agreements	-	-	13,933,279	13,933,279	-	13,933,279	-	13,933,279
Accounts payable-other	-	-	2,905,940	2,905,940	-	2,905,940	-	2,905,940
	<u>-</u>	<u>-</u>	<u>25,354,266</u>	<u>25,354,266</u>	<u>-</u>	<u>25,354,266</u>	<u>-</u>	<u>25,354,266</u>

## 29. 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).

	Company							
	2025				2024			
	Carrying amount		Fair value		Carrying amount		Fair value	
FVOCI	Fair value through profit or loss	Amortised cost	Total	Level 1	Level 2	Level 3	Total	
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Financial assets measured at fair value:								
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	1,356,603	-	-	1,356,603	1,356,603	-	-	1,356,603
	<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>
Financial assets not measured at fair value:								
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 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>
Financial liabilities not measured at fair value:								
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>

# Notes to the Financial Statements

Year ended December 31, 2025

## 29. 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).

	Company					
	2025			2024		
	Carrying amount		Fair value			
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
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
Convertible preference shares	801,351	-	801,351	-	-	801,351
	<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	-	143,401	143,401	-	143,401	143,401
	<u>-</u>	<u>5,407,055</u>	<u>5,407,055</u>	<u>-</u>	<u>5,407,055</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	-	158,667	158,667	-	158,667	158,667
	<u>-</u>	<u>8,995,121</u>	<u>8,995,121</u>	<u>-</u>	<u>8,995,121</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.

## 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

- 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.
- 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.
- 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.

# Notes to the Financial Statements

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.

## 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:

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'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, 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 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 influence	-	4,323	-	-
Directors	-	29,374	-	-
Key management personnel, excluding directors	<u>-</u>	<u>1,589</u>	<u>-</u>	<u>-</u>

# Notes to the Financial Statements

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:

	Group	
	2025 \$'000	2024 \$'000
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

	Company	
	2025 \$'000	2024 \$'000
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 bps 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.

## 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:

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'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>	-	-	-
Fees and commission income:				
Related party – VM Wealth Funds Ltd.(iv)	<u>5,654</u>	<u>19,379</u>	-	-
Gain on disposal of interest in associated company-Carilend:				
Immediate parent company (i)	-	<u>422,265</u>	-	<u>422,265</u>

# Notes to the Financial Statements

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):

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

- (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.

## 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.

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

- (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.

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



# Notes to the Financial Statements

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.

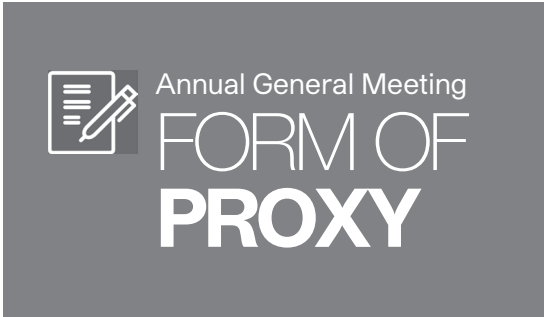
# Corporate Data

BOARD OF DIRECTORS	LEADERSHIP TEAM			
<p><b>Mr Michael McMorris</b> BA Chairman</p>	<p><b>Mr Rezworth Burchenson</b> MBA, BSc CEO, VM Investments Limited and VM Wealth Management Limited</p>	<p><b>REGISTERED OFFICE</b> 53 Knutsford Boulevard Kingston 5, Jamaica, W.I.</p>	<p><b>REGISTRAR AGENT</b> Jamaica Central Securities Depository Limited, 40 Harbour Street, Kingston, Jamaica, W.I.</p>	<p><b>SUBSIDIARIES</b> VM Wealth Management Limited</p>
<p><b>Mr Matthew Wright</b> MPhil, MA, BA</p>	<p><b>Mr Brian Frazer</b> CFA, BSc (Hons) Deputy CEO, VM Investments Limited and VM Wealth Management Limited</p>	<p><b>CORPORATE OFFICE</b> 73-75 HWT Road, Kingston 10, Jamaica, W.I.</p>	<p><b>BANKER</b> National Commercial Bank Jamaica Limited 32 Trafalgar Road Kingston 5, Jamaica, W.I.</p>	<p><b>AFFILIATES</b> Kingston Properties Limited (KPREIT)</p>
<p><b>Mr Courtney Campbell</b> MBA (Dist), ACIB, BSc, JP President and CEO, VM Group</p>	<p><b>Ms Allison Mais</b> FMVA, Prosci, CSPO, PMP, MSc (Hons), BSc (Hons) Vice President, Operations</p>	<p><b>CORPORATE SECRETARY</b> Ms Keri-Gaye Brown</p>	<p><b>CONTACT US</b> Denise Dennis Manager, Communications and Digital VM Group Limited Email: Denise.Dennis@myvmgroup.com Mobile: (876) 301-3129</p>	
<p><b>Mr Rezworth Burchenson</b> MBA, BSc CEO, VM Investments Limited and VM Wealth Management Limited</p>	<p><b>Mr Dwight Jackson</b> MSc, BSc Assistant Vice President, Capital Markets</p>	<p><b>ATTORNEYS AT LAW</b> Messrs Patterson, Mair, Hamilton   Temple Court, 85 Hope Road, Kingston 6, Jamaica, W.I.</p>	<p><b>AUDITOR</b> KPMG P.O Box 76, 6-10 Duke Street, Kingston, Jamaica, W.I.</p>	
<p><b>Mrs Janice McKenley</b> FCCA, FCA, MBA (Dist), BSc (Hons) Group Chief Financial Officer</p>	<p><b>Mrs Evette Bryan</b> MBA Assistant Vice President, Asset Management and Treasury</p>			
<p><b>Mr Noel Hann</b> JP, EJD, FAIA, MCFI</p>	<p><b>Mrs Karlene Waugh</b> BSc Assistant Vice President, Business Operations</p>			



# Corporate Data

BOARD OF DIRECTORS	LEADERSHIP TEAM	
<b>Mrs Sandra M. Shirley-Auxilly</b> MBA, BSc (Hons)	<b>Mrs Denise Marshall-Miller</b> MBA, BBA (Hons) Senior Manager, Bond, Equity and Digital Assets Trading	<b>VM WEALTH MANAGEMENT LIMITED</b>  <b>Branches:</b>  Head Office / New Kingston Liguanea University of Technology Duke Street Portmore Mandeville Ocho Rios Montego Bay Savanna-la-Mar
<b>Milton J. Samuda</b> Esq.	<b>Mr Sean Yearwood</b> MSc, BSc Country Head, Barbados	
<b>Mr Vikram Dhiman</b> MBA, BSc, CA, CPA	<b>Ms Christine Benjamin</b> MSc, BSc (Hons) Head, Sales and Client Relations	
<b>Mr Phillip G. Silvera</b> FCCA, FCA	<b>Mr. Junior Dover</b> MSc, BSc Manager, Risk	
	<b>Mr. Stuart Andrade</b> ACCA Assistant Vice President, Finance	
	<b>Mr. Bob Russell</b> CFA, FRM, BSc, Head - Asset Management	
	<b>Ms. Sitarah Smith</b> BSc Assistant Vice President, Treasury, Asset Management & Structured Investments	



I/We \_\_\_\_\_

of \_\_\_\_\_,

being a Member/ Shareholder of the above named Company, hereby appoint

\_\_\_\_\_

of \_\_\_\_\_,

or failing him, \_\_\_\_\_,

of \_\_\_\_\_

as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on the **4th day of June, 2026 at 3:00 p.m.** and at any adjournment thereof.

This form is to be used in favour of the resolution. Unless otherwise instructed, the proxy will vote as he thinks fit.

Please indicate by inserting a cross (X) in the appropriate box how you wish your votes to be cast.

**NOTES:**

1. To be valid, this form of proxy and the power of attorney or other authority (if any) under which it is signed must be lodged at the Registered Office of the Company, at least forty-eight (48) hours before the time appointed for the Meeting.
2. The Proxy Form should bear stamp duty of \$ 100.00 or such amount as prescribed by the Stamp Duty Act. The stamp duty may be paid by adhesive stamp(s) which shall be affixed to this Form.
3. In the case of joint shareholders, the vote of the Senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the vote(s) of the other joint holder(s) and for this purpose seniority shall be determined by the order in which the names stand in the register of members.
4. To be effective, this form of proxy must be signed by the appointer or his/her attorney, duly authorized in writing or, if the appointer is a corporation, must be under its common seal or be signed by some officer or attorney duly authorized in that behalf.

Senior Shareholder – first name appearing on the register of shareholders

Postage  
Stamp

	FOR	AGAINST
<b>1. Resolution No. 1 – Audited Accounts</b>	<input type="checkbox"/>	<input type="checkbox"/>
“ <b>THAT</b> the Audited Accounts of the Company for the year ended December 31, 2025 and the Reports of the Directors and Auditors, circulated with the Notice convening the Meeting, be and are adopted.”		
<b>2. Resolution No, 2 - Retirement of Directors</b>	<input type="checkbox"/>	<input type="checkbox"/>
<b>A) Retirement by Rotation Pursuant to Article 108</b>		
“ <b>THAT</b> Director <b>Mr. Vikram Dhiman</b> retiring by rotation pursuant to Article 108, of the Articles of Incorporation, who being eligible for re-election, is hereby elected.”		
“ <b>THAT</b> Director <b>Mr. Noel Hann</b> retiring by rotation pursuant to Article 108, of the Articles of Incorporation, who being eligible for re-election, is hereby elected.”		
“ <b>THAT</b> Director <b>Mr. Milton Samuda</b> retiring by rotation pursuant to Article 108, of the Articles of Incorporation, who being eligible for re-election, is hereby elected.”		
<b>B) Retirement Pursuant to Article 106:</b>		
“ <b>THAT</b> Director <b>Mr. Dennis Cohen</b> , having been appointed effective October 1, 2025 as an addition to the Board since the date of the last Annual General Meeting, and retiring pursuant to the Article 106 of the Articles of Incorporation, being eligible for re-election, be and is hereby re-elected.”		

	FOR	AGAINST
<b>3. Resolution No. 3 – Directors’ Remuneration</b>	<input type="checkbox"/>	<input type="checkbox"/>
“ <b>THAT</b> the amount of <b>\$29,594,000.00</b> included in the Audited Consolidated Accounts of the Company for the year ended December 31, 2025 as remuneration for their services as Directors be and is hereby approved.”		
<b>4. Resolution No. 4 – Appointment of Auditors</b>	<input type="checkbox"/>	<input type="checkbox"/>
“ <b>THAT</b> PricewaterhouseCoopers (PwC) be and are hereby appointed Auditors of the Company to hold office until the next Annual General Meeting, at a remuneration to be fixed by the Directors.”		

DATED this 17th day of April 2026.

BY ORDER OF THE BOARD

The 9th Public Annual General Meeting

**Keri-Gaye Brown**  
Corporate Secretary

REGISTERED OFFICE  
6-10 Duke Street  
Kingston

Signed: \_\_\_\_\_



