Annual Report 2024

COMMITTED

VM GROUP

Transform Your Everyday


COMMITTED
PARTNER FOR
146 YEARS
& COUNTING
VM GROUP

VISION

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

COMMITTED

TO BUILDING JAMAICA

VM GROUP

CORE VALUES

- Member Focus
- Integrity
- Teamwork
- Innovation
- Excellence


COMMITTED
TO OUR
MEMBERS
AND CLIENTS
VM GROUP

MISSION

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

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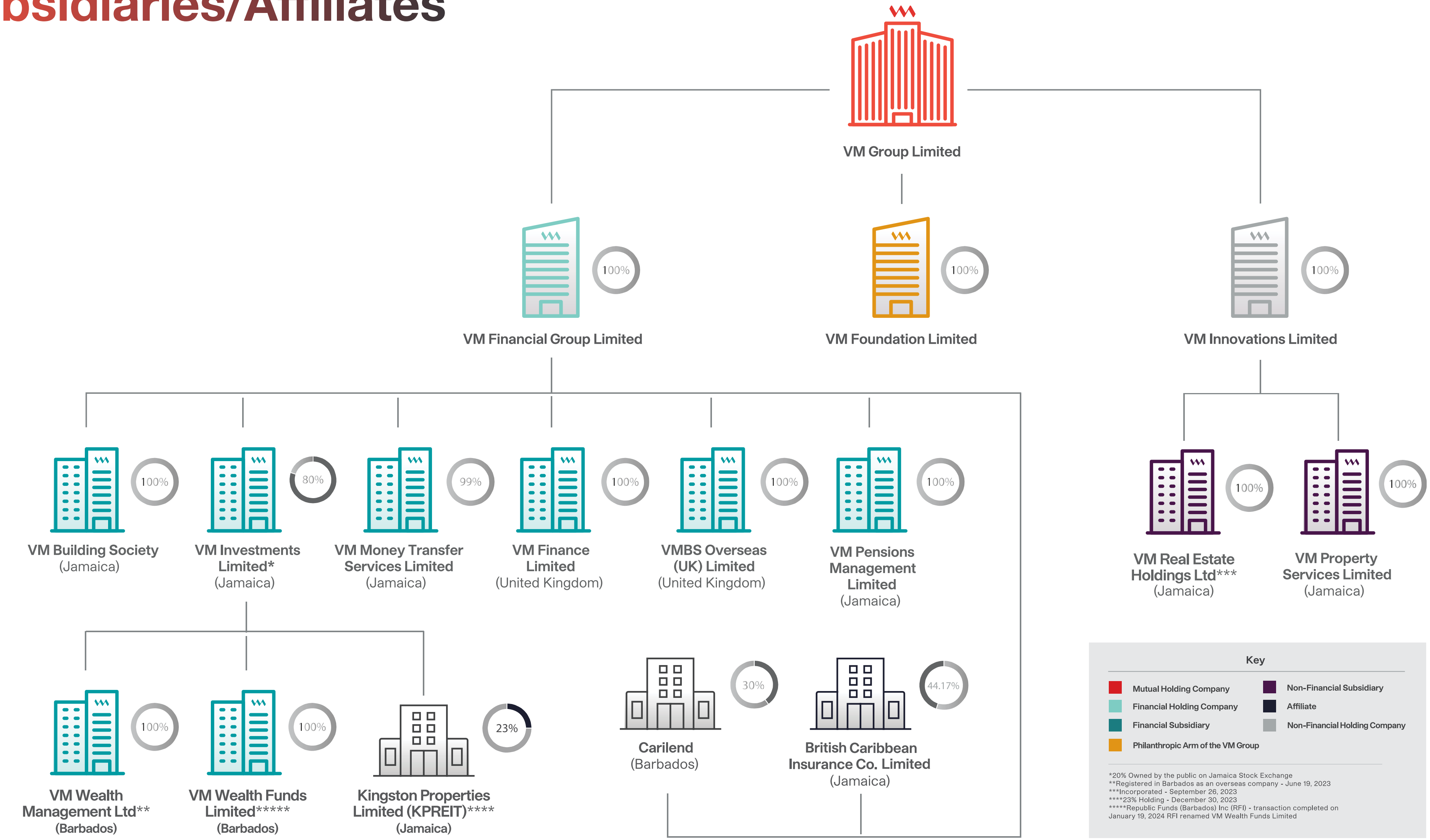
VM Group and its Subsidiaries/Affiliates



The VM Group: Who We Are

VM Group was born out of a bold idea: that everyday Jamaicans deserve a real opportunity to achieve financial security and home ownership. What started with a small group of visionary clergymen 146 years ago has grown into one of the most trusted financial institutions in the Caribbean.

Built on mutuality - the belief that we're stronger when we succeed together - VM has always been about people. Today, our presence spans Jamaica, the UK, the US, and the wider Caribbean, but our mission remains the same: helping individuals, businesses, families and communities thrive.

VM Group is the mutual holding company of two key subsidiaries: **VM Financial Group**, which includes our financial services companies, and **VM Innovations Limited**, focused on real estate technology, innovation and future-forward ventures. Together, they allow us to deliver a full ecosystem of support and empowerment.

We also operate with a strong sense of social responsibility through the **VM Foundation**, because financial wellbeing is about more than just numbers.

At VM, we are committed to real progress - the kind that opens doors, builds futures and creates lasting impact. That's who we are, and who we'll always be.

VM Financial Group: The Growth Engine

At the heart of the **VM Group** is **VM Financial Group**, the driving force behind our commercial strength and growth momentum. It houses our core financial businesses - from savings and loans to wealth management, pensions, remittances and insurance - making it the central hub for delivering the financial solutions our Members and Clients rely on every day.

The businesses within VM Financial Group are:

- **VM Building Society** (VMBS) - Our flagship institution, offering savings, loans, and mortgage services
- **VM Investments Limited** (VMIL) - The listed parent company of VM Wealth Management, focused on investment growth and market leadership
- **VM Wealth Management** (VMWM) - Delivering investment advisory, asset management and trading services
- **VM Pensions Management** (VMPM) - Managing and administering pension funds with expert insight and care
- **VM Finance Limited** - Providing tailored financing solutions in the UK
- **VM Money Transfer Services** - Connecting families and communities through safe, reliable remittance services

Together, these businesses serve individuals and institutions across Jamaica, the wider Caribbean, and in key international markets - helping more people achieve financial wellbeing and long-term security.

VM Financial Group 2024 Performance Highlights:

Thanks to strong execution and a disciplined focus on growth, VM Financial Group delivered solid results in 2024:

NET PROFIT AFTER TAX
J$1.6 billion
(Up from J$581 million in 2023)

NET INTEREST INCOME
J$6.7 billion
(Up 13% year-over-year)

SAVINGS FUND
J$153.0 billion
(Up 7%)

NET FEE INCOME
J$2.4 billion
(Up 23% year-over-year)

LOAN PORTFOLIO
J$125.5 billion
(Up 3%)

OFF-BALANCE SHEET ASSETS
+13% at VM Wealth Management
+12% at VM Pensions Management

These results reflect not only the resilience of our financial businesses, but the deep trust placed in us by our Members and Clients. As we look to the future, VM Financial Group will continue to drive innovation, unlock value, and power the VM Group's mission of building brighter financial futures.

"THIS STRATEGY REPORT IS THE BLUEPRINT THAT GUIDES VM GROUP'S PATH AND REFLECTS OUR PURPOSE.

COMMITTED

VM Group Strategy Report

This Strategy Report gives us the opportunity to share the blueprint that guides VM Group's path - a blueprint that is essential to our purpose, reflects our roots, helps us to navigate the complexities of today's financial landscape, and allows us to set clear goals that align with our commitment to transform lives and communities.

Who We Are

With a rich history spanning almost a century and a half, the VM Group has withstood the test of time, adapting and evolving to meet the ever-changing needs of our Members and Clients, Team Members and Communities. The VM Group is a purpose-driven full-service organisation offering a full suite of solutions designed to meet the needs of individuals, families, businesses, and institutions. Our diverse team of seasoned professionals brings together deep industry knowledge, innovative thinking, and a shared commitment to serve our Members and Clients. Additionally, we partner closely with the communities in which we live and work to promote financial well-being, create lasting value, and long-term resilience.

1. VM Group is a Purpose-Driven Mutual

We are defined, framed and driven by our **Vision, Mission, Core Values,** and **Cultural Beliefs**, as we seek to achieve our **Strategic Goals**. Our Strategic Goals, which are highlighted below, serve as our compass, guiding our decisions and actions to ensure sustainable growth and resilience.

Strategic Goals Defined

Strong, Integrated Financial Group:	VM Group entities are cohesive and collaborate in teams to provide high value products, services, and customer experiences. The VM Group upholds best practices in enterprise risk management with strong capital base and seamless and efficient processes within and across its Strategic Business Units.
Modern Mutual:	The VM Group leverages relationships, digital channels, and attractive infrastructure with keen attention to the voice of the customer for enhanced service delivery. VM Group is a **Model Corporate Citizen** with a culture of good conduct and service to community in Latin America and the Caribbean.
Employer of Choice:	The VM Group is the preferred place of work and has an engaged, talented and caring team who listen and collaborate for innovation and superior customer service.
Empowered Members:	The VM Group involves Members in critical conversations to improve financial literacy about homeownership and financial well-being. Members are rewarded for their loyalty.

VM Group Strategy

CONTINUED

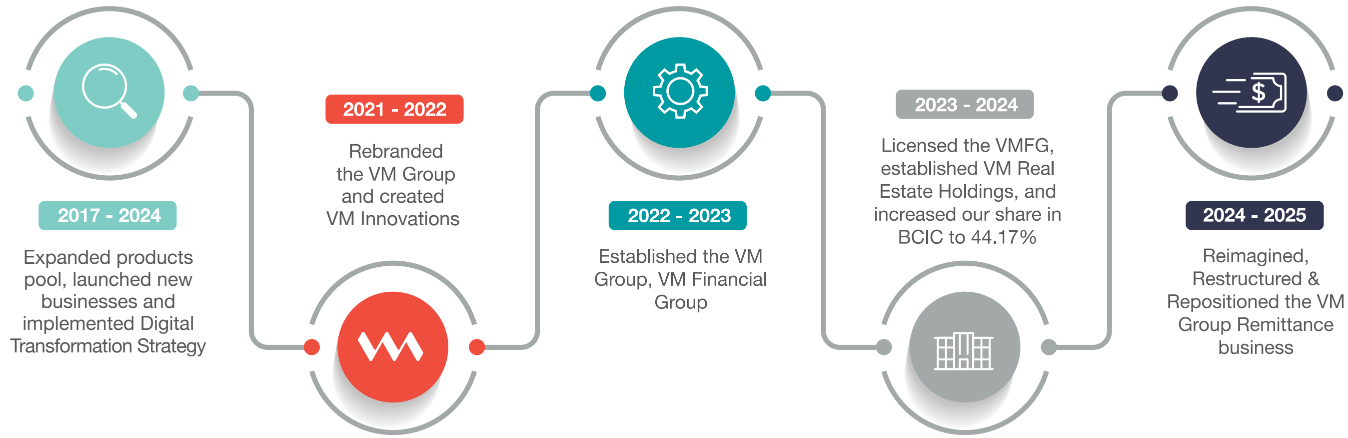
2. VM Group is a Full-Service Enterprise

The VM Group is a **full-service organisation** providing an expanded suite of products and services.

- Multiple Savings Products for our retail and business Members and Clients
- A wide range of Lending Solutions including credit cards to meet the needs of all individuals and businesses
- Solutions tailored to our Business Clients such as Payroll Upload services, SWIFT, ACH & RTGS services and FX services
- Wide range of Investment & Pensions products - unit trusts, stocks & bonds, capital markets services, pension fund management, advisory services and Approved Retirement Scheme
- Other services include Remittances and other payment solutions, Property Management, Valuations and Fintech services.

3. VM Group is a Transformed Organisation

Over the past 10 years the VM Group has being going through a process of transformation to better serve our Members and Clients and meet their financial needs at all stages of their life. Today we are better positioned than ever with a rebranded Group of companies, a licensed Financial Group, registered property services and fintech businesses as well as an expanded pool of products and services.



4. VM Group: An Advocate for the Adoption of ESG & Sustainability Principles

Our role as a financial institution comes with a responsibility to support efforts to achieve sustainability at both the community and societal levels as well as manage related risks prudently and serve our stakeholders with integrity.

Accordingly, over the past three years we have worked to embed Environmental, Social and Governance (ESG) principles in our business model as we recognise their growing influence on financial performance, regulatory compliance and long-term value creation.

You can read more about our efforts under each ESG pillar and our achievement to date in the ESG Segment of this report.

VM GROUP STRATEGY

Company	Business Line	Products and Services	Performance
VM Building Society (VMBS)	Deposit-taking financial institution: wide range of deposits and loans.	Provides mortgages for residential and commercial properties.	146 years of helping Jamaicans acquire their first home with almost 16,000 mortgage accounts.
VM Investments Limited (VMIL)	Wealth Management & Investment Services	Property Funds provide ownership of Real Estate Units and access to Overseas Real Estate.	Ranked among the top 3 performing funds in the past 6 years and ranked #1 in 3 of those years.
VM Pensions Management (VMPM)	Pensions Management & Advisory	Property portfolios	Owns 182,810 sq. feet of property and real estate fund outperformed its benchmark 4 of the past 5 years.
VM Property Services (VMPS)	Property Management, Real Estate Sales and Project Management	Property valuation, Real Estate sales, Property and Property-related project management.	Manages in excess of 350,000 sq. feet of property. Completed almost 700 property valuations annually over the past 4 years.
VM Finance Limited (VMF) **and Real Estate Holdings Co** (REHC)	Financing Property Development	▶ Finances property developments in UK ▶ Owns property and targets the real estate development market in Jamaica	▶ Since it started in 2018, VMF disbursed over £200 million in loans to fund properties in the UK ▶ REHC owns almost 65,000 sq. feet of property.
BCIC and KPREIT	General Insurance and Real Estate Investments	▶ Property Insurance ▶ Real Estate Investment	▶ BCIC ranked 2nd in the industry and property insurance accounts for 50% of its business ▶ KPREIT owns 465,000 sq ft of property with Investment Portfolio valued at US $66M
VM Innovations (VMI)	Fin-tech arm of the Group	PropMan Suite of products	Expanded/Upgraded a unique Strata and Community Management System APP to support Strata Corporations and Homeowners Associations.

5. VM Group Creates Wealth through Real Estate

VM Group's expertise and experience in all aspects of Real Estate are grounded in its history and have allowed the organisation to carve out a path that can advance wealth creation for our Members. Today, this VM Real Estate **Advantage** is demonstrated across all business lines.

Driven by our **purpose to transform lives** and framed by our **posture of Mutuality**, the VM Group has a track record of providing trusted financial solutions while delivering not just expert service, but empathetic, and thoughtful customer experience that demonstrates, as we have done for generations, that we genuinely care. We remain as committed as ever to fostering financial well-being and to transforming our communities.

VM Group Strategy

CONTINUED

What We Do

Deliver on Our Commitment to our Stakeholders

Our strategy reflects who we are, our purpose, our values, and our beliefs that drive our commitment to our Members, Clients, Team Members and communities. During 2024 we executed a series of strategic initiatives, and the tables in this segment provide a status report on our efforts.

1. Deliver on Our Commitment to Members & Clients

At the core of our business is a steadfast commitment to the financial well-being and success of our Members and Clients. We recognise that trust is earned through consistent delivery and personalised service experience. By combining our expertise, with our innovative financial solutions, we strive to meet evolving needs while maintaining the highest standards of transparency, integrity and service excellence. Our promise is not only to manage wealth but to empower financial confidence and resilience - today and for generations to come.

PROJECTS/INITIATIVES	STATUS
Committed to Delivering Sustainable Solutions for Members & Clients	
Expand and strengthen the Integrated Sales Force to drive revenues and intensify referral programme.	▲
Expand the VM Group footprint across the region: Launch VM Wealth- Barbados	▲
Introduce AI-powered chatbot for service delivery channels - Vikki (for Members & Clients)	▲
Upgrade Member Engagement Centre to include 24/7 services	▶
Upgrade VMWM's Client Management Online System by adding new features	▲
Expand Business Services Unit with additional Relationship Officers, products and services	▶
Introduce cardless deposits, card electronic transfers and mini statements at ABMs	▲
We have started digitalisation of the ARS processing and this has begun to improve how quickly and efficiently we serve our Clients	▶
Rationalise and relaunch the suite of iSave products to increase access to more Members	▲

2. Deliver on Our Commitment to Team Members

Our people are the foundation of our performance. We are committed to fostering a workplace where every Team Member feels valued, supported, and empowered to grow. Through continuous professional development, inclusive leadership, and a culture rooted in collaboration and respect, we invest in the success and well-being of our employees. By cultivating talent and promoting purpose-driven work, we ensure that our team is equipped and inspired to deliver outstanding service - and to thrive as individuals and professionals.

Committed to Fostering a Team-Member Friendly Work Environments

PROJECTS/INITIATIVES	STATUS
Improve staff well-being, development & total rewards by inter alia: • Reviewing the Group's recognition programme to consider changing demographics; remote, hybrid and flexi-work arrangements • Ensuring that desired behaviours are recognised and rewarded based on the Group's culture	▲
Implement HR Plus for self-service and learning on demand to facilitate self-paced learning in order to close learning gaps faster	▲

PROJECTS/INITIATIVES	STATUS
Implement HRMS: Payroll to facilitate faster payroll processing and self-serve access to Team Members	▲
Identify and engage persons in value-creating roles as part of the Group's talent management strategy to retain talent and ensure that succession plans are in place for these positions	▲

3. Deliver on Our Commitment to Our Communities

We believe that strong communities are the bedrock of a resilient financial ecosystem. That's why our commitment extends beyond business into meaningful partnerships, financial education, and sustainable impact. We actively support initiatives that promote economic inclusion, entrepreneurship, and social equity in the communities where we operate. Whether through volunteerism, corporate giving, or community-based programmes, we aim to be a positive force for change, championing prosperity that is shared, inclusive and lasting.

Committed to Transforming our Communities

PROJECTS/INITIATIVES	STATUS
Supported the St. Jago Park Health Centre under the Ministry of Health & Wellness' Adopt-a-Clinic Programme	▲
Supported families through the Positive Parenting video series dubbed 'In Di Streetz'	▲
Executed the 2024 objectives under the Youth Development Programme such as VM Ignite, VM Enrich, VM Uplift	▶
Executed the 2024 objectives under the Community Development Programme such as the National Leadership Prayer Breakfast Initiative and the partnership with the National Library Service to deliver on 'Read Across Jamaica'.	▲
VM Project RISE: Resilience Instructions for Student Empowerment is a mental health intervention which seeks to create a comprehensive support system for students, particularly those with symptoms of Post-Traumatic Stress Disorder (PTSD)	▲
VM Scholars & Bursaries	▲

Completed ▲ | Ongoing ▶ | Not started ▼

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting of **VM GROUP LIMITED** (the "Company") will be held at the The Jamaica Pegasus Hotel, on **Tuesday, July 29, 2025, at 3:00 p.m.** to consider, and if thought fit, pass the following resolutions:

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

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

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

   2A) Retirement by Rotation pursuant to Article 82:

   "THAT Director **Mr. Brian Goldson** retiring by rotation pursuant to Article 82, of the Articles of Incorporation, who being eligible for re-election, is hereby elected."

   "THAT Director **Mrs. Sandra Shirley-Auxilly** retiring by rotation pursuant to Article 82, of the Articles of Incorporation who being eligible for re-election is hereby elected."

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

   "THAT the amount of $11,787,000 included in the Audited Accounts of the Company for the year ended December 31, 2024, as remuneration for their services as Directors be and is hereby approved."

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

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

DATED this 27th day of May 2025

BY ORDER OF THE BOARD

Keri-Gaye Brown
Corporate Secretary

REGISTERED OFFICE
6-10 Duke Street
Kingston

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

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

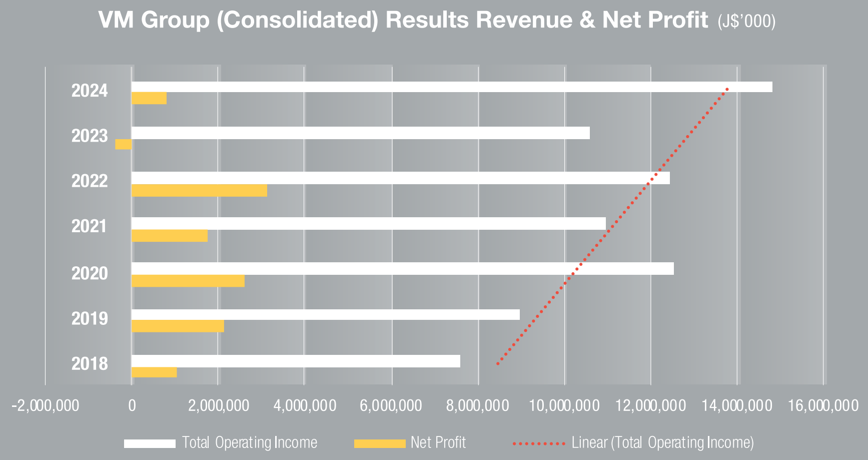
The Proxy Form should bear stamp duty of $100.00 or such amounts as prescribed by the Stamp Duty Act before being signed. The stamp duty may be paid by adhesive stamp(s), which are to be cancelled by the person executing the Proxy.

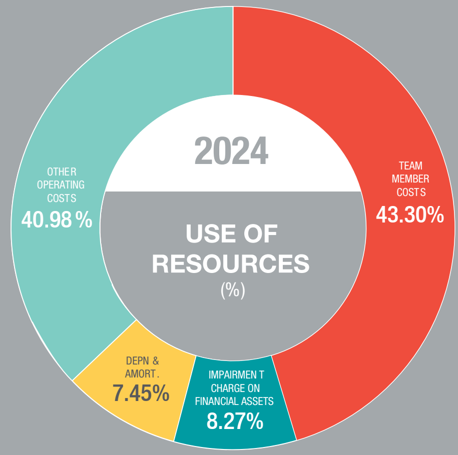
COMMITTED TO FACILITATING HOME OWNERSHIP FOR Wealth Creation

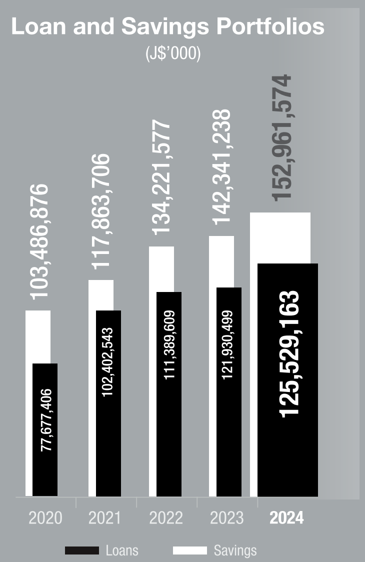
Five-year Statistical Review

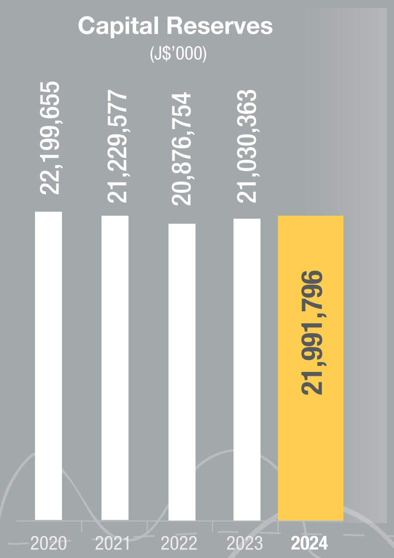
GROUP	2020	2021	2022	2023	2024
Balance Sheet ($'000)					
Interest Earning Assets	133,929,651	161,377,221	166,610,976	181,329,718	**185,688,913**
Loans	77,677,406	102,402,543	111,389,609	121,930,499	**125,529,163**
Total Assets	166,034,983	191,233,701	198,312,606	213,752,367	**223,567,829**
Savings Fund	103,486,876	117,863,706	134,221,577	142,341,238	**152,961,574**
Capital and Reserves	22,199,655	21,229,577	20,876,754	21,030,363	**21,991,796**
Deposit Liabilities ($B)	105,063,228	122,230,742	134,793,203	144,280,169	**154,846,879**
Income Statement ($'000)					
Net Interest Income	5,077,641	5,725,648	5,880,554	5,903,481	**6,514,220**
Total Operating Revenue	12,554,131	10,914,728	12,472,656	10,589,417	**14,847,518**
Operating Expenses, excl impairment losses	8,051,521	8,879,660	10,344,996	11,271,309	**13,548,322**
Surplus before income tax	4,078,587	2,281,841	2,701,536	(511,593)	**533,669**
Surplus for the year after income tax	2,636,396	1,786,269	1,929,278	(374,655)	**823,449**
Share of profits of associates	111,325	320,810	126,899	442,161	**455,448**
Ratios					
Net Interest Margin	3.89%	3.88%	3.59%	3.39%	**3.55%**
Return on Capital	12.46%	8.23%	9.16%	-1.79%	**3.74%**
Return on Average Total Assets	1.66%	1.00%	0.99%	-0.18%	**0.38%**
Efficiency Ratio (Admin Exp:Mean Assets)	5.06%	4.97%	5.31%	5.47%	**6.20%**
Efficiency Ratio (Cost:Income)	63.57%	79.03%	82.11%	102.17%	**88.53%**
Capital & Reserves as a percentage of assets	13.37%	11.10%	10.53%	9.84%	**9.84%**

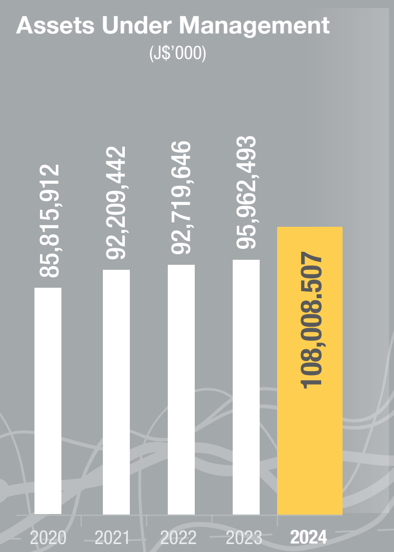
Five-year Performance Highlights











Directors' Report

VM GROUP LIMITED

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

2. The Consolidated Statement of Revenue and Expenses reports pre-tax profit for the year of $533,669,000 to which there has been added $289,780,000 for Income Tax Credit, resulting in an After-tax profit of $823,449,000.

3. **A)** Directors Retiring by Rotation pursuant to Article 82: Director Mr. Brian Goldson retiring by rotation pursuant to Article 82 of the Articles of Incorporation who being eligible for re-election is hereby elected.

   Director **Mrs. Sandra Shirley-Auxilly** retiring by rotation pursuant to Article 82 of the Articles of Incorporation who being eligible for re-election is hereby elected.

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

   C) The Board acknowledges the resignation of **Mr. Phillip Silvera** and the retirement of **Mr. Colin Wharfe** from the Board of VM Group Limited, effective May 30, 2025, and expresses its gratitude to them for their dedicated service to the Board of directors.

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

ON BEHALF OF THE BOARD,

Mr. Michael McMorris
Chairman

Our **Board of Directors** is COMMITTED

Our Board of Directors is committed to strong corporate governance.

These standards guide every decision at VM Group Limited and across all subsidiaries.

Board of Directors

MR MICHAEL MCMORRIS
BA
Chairman
VM Group and VM Financial Group

MR MATTHEW WRIGHT
MPhil, MA, BA
VM Group and VM Financial Group

MR COURTNEY CAMPBELL
CD, MBA (Dist), ACIB, BSc, JP, LLD (Hon)
President and CEO
VM Group and VM Financial Group

MR BRIAN GOLDSON
MBA, BSc
VM Group and VM Financial Group

MRS SANDRA M. SHIRLEY-AUXILLY
MBA, BSc (Hons)
VM Group and VM Financial Group

MRS JEANNE P. ROBINSON-FOSTER
CD, BA (Hons.), LLB (Hons.), CLE
VM Group and VM Financial Group

Board of Directors
CONTINUED

▶ **MR COLIN B. WHARFE**
FCCA, FCMA, CISA, LLB
VM Group and VM Financial Group

▶ **MR PHILLIP G. SILVERA**
FCCA, FCA
VM Group and VM Financial Group

▶ **DR MAURICE MCNAUGHTON**
PhD
VM Group and VM Financial Group

▶ **MR MICHAEL MCANUFF-JONES**
MSc, MBA (distn), ACIB, SPHRi
VM Group and VM Financial Group

▶ **MR DENNIS COHEN**
FCA, FCCA, BSc
VM Financial Group

▶ **MR HERBERT KEITH JENNINGS**
B.Comm, MBA, CPA
VM Financial Group

Board of Directors
CONTINUED

MR NOEL DACOSTA
CD; BSc; MASc; MBA; FCII; DTech
Retired March 31, 2024

MS KERI-GAYE BROWN
LLB
Corporate Secretary
VM Group and VM Financial Group

Board of Directors
CONTINUED

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. Michael 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)
VM Group President & CEO

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.

Board of Directors

CONTINUED

MR BRIAN GOLDSON
MBA, BSc

Mr Brian Goldson is an experienced, innovative business leader and entrepreneur with an extensive and strong track record in delivering a wide range of high-volume, retail consumer transactional financial services throughout the Caribbean over the past 30 plus years.

A focused entrepreneur with a major equity investment in a well-established Caribbean based Fintech company, Mr Goldson has more than 30 years of proven experience in starting and building new business enterprises and leading them to top positions in their respective markets in a number of countries in the Caribbean. He has an outstanding track record in establishing and/or managing a wide range of high-volume retail consumer transactional financial services. These include the launch of Western Union Money Transfer Services; F/X Trader, a retail cambio/bureau de change; and Bill Express, a bill payment service, in several Caribbean territories.

A former equity trader, he has successfully led companies to listings on capital markets. In particular, as Non-Executive Chairman, he led Access Financial Services, a micro-finance institution, to a successful listing on the Jamaica Junior Stock Exchange in October 2009.

Mr Goldson served for 16 years as a member of senior management at GraceKennedy and Company including the position of Divisional Director/Chief Operating Officer, Information & Money Service Division. He was a member of the main board from 1999 to 2006. His other previous board appointments include Non-Executive Chairman of Access Financial Services and the Postal Corporation of Jamaica and more recently, Massy Finance Remittances.

He attained a BSc in Investment Finance from the University of New Orleans, and an MBA specialising in Strategic Management and Real Estate Finance from Georgia State University.

MRS SANDRA M. SHIRLEY-AUXILLY
MBA, BSc (Hons)

Mrs Sandra Shirley-Auxilly, Business Facilitator/ Consultant, has extensive experience spanning over 30 years in wealth management, trust banking, strategic planning and implementation in the United States and the Caribbean.
A former licensed securities dealer and President of First Global Financial Services Limited, Mrs 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, Mrs 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.

Mrs 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.

MRS JEANNE P. ROBINSON-FOSTER
CD, BA (Hons.), LLB (Hons.), CLE

Mrs Jeanne P. Robinson-Foster studied at the University of the West Indies where she earned a Bachelor of Arts degree, followed by a Bachelor of Law and the Certificate of Legal Education. A true Montegonian, she attended primary and high schools in the area and returned there to work after acquiring her professional qualification. In October 2011, she was conferred with the Order of Distinction in the Commander Class (CD), 'in recognition of her significant contribution to the legal profession and community development'.

This Attorney-at-Law has over 30 years' experience and is the founding partner of Robinson-Foster & Associates. Although a legal practitioner at this time, she has earned distinction in the airline industry and teaching profession, having worked at Eastern Airlines and taught at Mount Alvernia High School and The University of Technology.

She received the All-Island Courtesy Award in the Airline Industry and was the All-Island Boss of the Year in 1986. Jeanne has served as a member of the General Legal Council of Jamaica and was immediate chair of the Mutual Societies Foundation of Jamaica, which sponsored a successful intervention initiative, the Centres of Excellence Programme in six rural-based high schools.

A Past President of the Soroptimist Club of Jamaica, she has represented the Building Societies Association on the Governor-General Achievement Awards Cornwall County Committee and has been a member of the Board of the UWI School of Continuing Studies and the Montego Bay Chamber of Commerce. She has also held the post of Director/member of the Board at the Montego Co-operative Credit Union (now Gateway Co-operative Credit Union), Montego Bay High School, Barracks Road Primary, St James High School, the Cornwall Regional Hospital and the Western School's Trust. She was also Chairman of the Board of Sam Sharpe Teachers' College and still serves as a Board member.

Presently, she is chair of The Good Shepherd Foundation, an interdenominational charitable organisation in Montego Bay with

BOARD OF DIRECTORS

specific commitment to the health and education of the poor, the disabled and the disadvantaged. She is actively involved in many other organisations, among them, the International Women's Forum, and is a Deacon of the Calvary Baptist Church. She has been awarded the Friends of Good Shepherd Humanitarian Award (US) in appreciation of her distinguished service to humanity and has also been appointed as the Honorary Consul for Canada in Jamaica.

MR COLIN B. WHARFE
FCCA, FCMA, CISA, LLB

Retired professional accountant; a Fellow of the Association of Chartered Certified Accountants, Fellow of the Chartered Institute of Management Accountants and a Certified Information Systems Auditor. Holder of a Bachelor of Laws from the University of London.

More than thirty (30) years at PricewaterhouseCoopers (PWC), where he held various senior, client-facing and functional roles, including Member of the Executive Leadership Team for the PwC member firms in the Caribbean, Territory Senior Partner Trinidad and Tobago, Lead Assurance Partner, Lead Technical (Audit and Financial Reporting) Partner, Lead Human Capital partner, and responsible for the Firm's Energy and Utilities Practice, and member of PricewaterhouseCoopers Global Energy, Utilities and Mining Group.

Extensive experience in strategic business development, technical financial accounting, and cross border financing. Highly successful in building trusted relationships with C-Suite and national decision makers; seizing control of critical problem areas; delivering on client commitments; leadership development; and adherence to performance, quality and ethical standards.

Member of several Regional Boards and sub committees [past and present] including: University of the West Indies, United Way Trinidad and Tobago and various boards within the First Citizens Group.

Mr Wharfe, who is well respected for his strict personal and professional standards of integrity and ethics.

He is a sports aficionado, particularly football and martial arts. He enjoys mentoring young people, which he did as the Youth/Training Development Officer at Club Sando FC in Trinidad and Tobago. He is a former CEO of the Trinidad and Tobago Premier Football League.

MR PHILLIP G. SILVERA
FCCA, FCA

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

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

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

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

DR MAURICE MCNAUGHTON
PhD

Dr Maurice McNaughton is an Engineering Graduate of The University of the West Indies and holds a PhD in Decision Sciences from Georgia State University. He has over 20 years' senior management and leadership experience in the planning and direction of enterprise level Information Technology in organisations.
He currently serves as Director of the Centre for Innovation at the Mona School of Business & Management, University of the West Indies. His research interest spans the domain of emerging Open ICT ecosystems including Open/Big Data, Digital Transformation and Digital capacity building.

He serves the public sector in several capacities including as Chairman of the National Information Systems for Health Steering Committee and the Board of Commissioners of the Overseas Examinations Commission.

MR MICHAEL MCANUFF-JONES
MSc, MBA (distn), ACIS, ACIB, SPHRi

Mr Michael McAnuff-Jones has vast expertise in the fields of finance and human resources, having spent many years in their practical application in various corporate roles, as well as developing academic excellence in these areas. He held several key roles across the Scotiabank Group, including Accounting Manager; Assistant General Manager – Operations; Senior Vice-President – Human Resources - Jamaica, Belize and Haiti; and head of Human Resources for the Scotiabank English Caribbean operations. He retired from Scotiabank in January 2017 and is currently engaged in part-time Human Resource Management consultancy and pastoral ministry.

Mr McAnuff-Jones is chairman of Back to the Bible Jamaica. He is Vice President of The Human Resource Management Association of Jamaica and chairman of the Caribbean Institute for HR Management. He formerly served as executive chair of the Jamaica Institute of Financial Services.

Board of Directors

CONTINUED

In the public sector, he serves as a director of the Management Institute for National Development, and as a Director on the board of the Nature Preservation Foundation/Hope Botanical Gardens. He previously served Deputy Chairman of the University of Technology (UTech) council.

He completed undergraduate studies in Banking and Finance at CAST (now UTech) and also holds an MSc in Social Sciences/ Human Resources from the University of Leicester and an MBA (Distinction) from the University of Wales/ Manchester Business School. He holds professional designations in Banking, Corporate Secretarial practice, and Human Resources, with associateship in the then Institute of Chartered Secretaries and Administrators, then London Institute of Bankers, and is designated as an international Senior Professional in Human Resources by the Human Resource Certification Institute. He serves on the boards of VM Group, VM Financial Group, VMBS, and VMPM.

MR DENNIS G. COHEN
FCA, FCCA, BSc

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 C Country Treasurer and Vice President and 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 Organisation 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 H. KEITH JENNINGS
B.Comm, MBA, CPA

Mr H. Keith Jennings is a global business leader with over 30 years of experience built on a corporate finance foundation in multinational enterprises, both public and private, including 2 years as a lecturer in Advanced Corporate Finance at Rice University in Houston Texas. Mr Jennings has held finance positions of increasing responsibility and complexity across the pharmaceuticals, genomics, chemicals, fuels and energy services industries. Appointed in 2022, Mr. Jennings is currently a Non-Executive Director and the Chair of the Audit Committee for 5E Advanced Materials Inc. (Nasdaq: FEAM). FEAM engages in the exploration and development of borates and lithium deposits primarily in the United States.

Mr Jennings is the former Executive Vice President and Chief Financial Officer of Weatherford International (Nasdaq: WFRD), a global energy services company. He served in the role from September 2020 to August 2022. He was also a member of a newly formed executive team that transformed and further right-sized the post-bankruptcy company, refinanced and relisted the company that was severely impacted by the macro-outcomes of the Covid-19 pandemic.

Prior to WFRD, Mr Jennings served as the Executive Vice president and Chief Financial Officer of Calumet Specialty Products Partners L.P. (Nasdaq: CLMT), a leading producer of engineered fuels and specialty hydrocarbon products. He served successively during 2016 to 2019 as Vice President, Finance and Vice President & Treasurer of Eastman Chemical Company, a global specialty chemical company.

From 2009 to 2016, he was Vice president and Treasurer of Cameron International Corporation, a global oil field equipment manufacturer. Earlier, he served in a variety of senior treasury and finance roles with Alghanim Industries, PepsiCo Inc., Ingersoll-Rand and Monsanto Company.

Mr Jennings holds a Bachelor of Commerce degree (B.Comm) from the University of Toronto and a Master of Business Administration (MBA) from Columbia University. He is a Chartered Professional Accountant (CPA) through the institute of Chartered Professional Accountants of Ontario Canada.

MS KERI-GAYE BROWN
LLB

Corporate Secretary Ms Keri-Gaye Brown joined the VM family in August 2010. An Attorney who has been practicing for more than 15 years, she possesses extensive knowledge in the areas of banking law, insurance law, corporate secretarial, securities laws and also in the development of compliance and corporate governance policies.

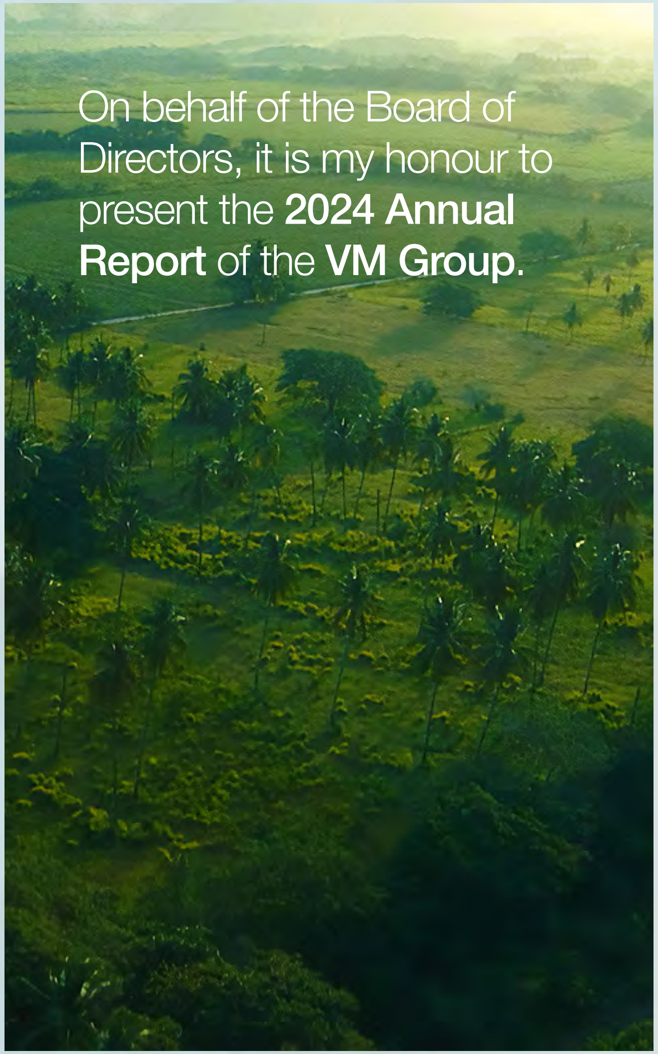
Prior to joining VM, Ms Brown worked in the financial sector and as a litigation practitioner in the Court of Jamaica.

Chairman's Message

> "VM REMAIN COMMITTED - TO OUR MEMBERS, TO SOUND GOVERNANCE, TO INNOVATION, AND TO BUILDING A SUSTAINABLE FUTURE."

MICHAEL MCMORRIS
Chairman, VM Group

Chairman's Message



Overview and Economic Context

The Jamaican economy during 2024 was resilient in an environment of mixed economic outcomes. GDP contracted by approximately 0.7% due to the significant impact of Hurricane Beryl. This caused major disruptions, particularly in the Agriculture, Forestry & Fishing sector, as well as the Electricity & Water Supply and Hotels & Restaurants sectors and these led to economic contractions of 3.5% and 0.8% in Q3 and Q4 respectively.

Despite this, inflation and other economic indicators showed positive trends. Inflation peaked at 7.39% in January but eased to 4.97% by year-end, within the Bank of Jamaica's 4%–6% target. The BOJ responded with four interest rate cuts, bringing the policy rate down to 6.00%, while the Jamaican dollar depreciated slightly by 0.94% year-over-year, influenced by BOJ foreign exchange interventions. Additionally, the country also realised the lowest record of unemployment in history at 3.50%

In our overseas markets, Barbados, a new theatre for us, recorded 4% economic growth led by tourism, construction and business services. The United Kingdom's growth was constrained by inflation and fiscal challenges, while the United States maintained robust GDP growth and labour market vibrancy.

Financial Performance

Financially, the VM Group rebounded effectively, recording a net profit of J$823 million compared to a loss of J$375 million in 2023. Our strategic initiatives drove continued growth across key financial indicators. Total loans increased to J$126 billion, up from J$122 billion in 2023. The savings portfolio grew to J$153 billion, compared to J$142 billion the previous year, while total assets expanded to J$224 billion, surpassing the J$214 billion reported in 2023.

In the current economic environment, we continue to grapple with costs but are convinced that leveraging our relatively new group holding structure will allow us to drive improved efficiency across all our Strategic Business Units.

Growth in total loans, deposits and assets reflects the strength of the VM brand as a financial partner of choice for hundreds of thousands of Jamaicans locally and internationally and provides a solid foundation for future profitability.

Executing Our Strategic Pillars

VM Group's performance was underpinned by focused execution of our strategic priorities. Our 2024 strategy centred on four key pillars: building a strong, integrated group; evolving as a modern mutual by leveraging digital innovation and superior customer experience; fostering a highly engaged and talented workforce as the employer of choice; and empowering Members through enhanced financial literacy and inclusive financial solutions.

Within the strategic framework, VM Financial Group expanded its lending portfolio and business services offerings, introducing new credit products, streamlining digital payment capabilities and enhancing our Member engagement channels. The successful launch of VM Wealth in Barbados extended our regional footprint, and the continued development of VM Finance UK, both delivered on our objective to pursue growth beyond traditional markets.

Equally, our cross-group focus to harness the length and breadth of our experience in various aspects of Real Estate has enabled us to offer VM as a unique partner in the creation of financial security and wealth through Real Estate. From mortgages and other types of specialised lending, to property services, Real Estate unit trusts and select developer partnerships, we believe that our value proposition across markets is compelling and will serve us increasingly well into the future.

Commitment to Community and Social Responsibility

Finally, our other key vehicle for delivering on the promise of mutuality, the VM Foundation, sustained its vital role in community development in 2024. Through initiatives such as VM Ignite, VM Uplift, the Adopt-a-Clinic programme, and the mental health intervention Project RISE, we supported youth development, health, education and inclusion. Scholarship and bursary programmes further exemplify our commitment to empowering communities.

Acknowledgements and Appreciation

I extend my deepest gratitude to my fellow Directors for their steadfast guidance and vision. In particular, I thank Director Noel daCosta who retired in 2024. The Group benefitted tremendously from his dedicated service and invaluable contributions. Walk good, Noel. I also commend our Leadership Team and all Team Members for their professionalism and commitment to executing our mission. To our Members and Clients, your continued trust is our greatest asset, and it remains a privilege to serve you.

Looking Ahead with Confidence

As we look to 2025 and beyond, the VM Group remains poised to innovate, adapt and evolve with confidence. Rooted in our heritage and guided by our mission, we are committed to building a stronger, more dynamic organisation that delivers lasting value to all stakeholders.

Thank you.

MICHAEL MCMORRIS
Chairman, VM Group

ESG

Environmental, Social & Governance

Environmental, Social & Governance

A Commitment to a Sustainable and Inclusive Future

At the VM Group, we believe sustainability is not a trend - it's a mandate. Our Environmental, Social and Governance (ESG) framework is embedded in every layer of our operations. It reflects our commitment to responsible growth, transparent governance, environmental stewardship, and inclusive prosperity.

Our ESG strategy is aligned with the Global Reporting Initiative (GRI) and guides how we create long-term value for all stakeholders. Our efforts are closely aligned with the United Nation's Sustainable Development Goals (SDGs).

Environmental Stewardship

We are actively addressing our environmental footprint by reducing carbon emissions and advancing energy efficiency across our operations.

Key Initiatives:

- Retrofitting office spaces with energy-efficient lighting and building systems.
- Tracking total energy consumption and fuel use, both renewable and non-renewable.
- Implementing a Group-wide reporting framework in line with GRI Standards 302-1 and 302-2.

Aligned SDGs:

- **SDG 7** Affordable and Clean Energy
- **SDG 12** Responsible Consumption and Production
- **SDG 13** Climate Action

Social Responsibility

We believe in lifting people and communities through inclusive policies and empowerment.

Ongoing Focus Areas:

- Talent development, diversity and workplace equity.
- Community engagement through education and wellness initiatives.
- Supplier and partner responsibility with a focus on ethics and local empowerment.

Aligned SDGs:

- **SDG 3** Good Health and Well-being
- **SDG 4** Quality Education
- **SDG 5** Gender Equality
- **SDG 8** Decent Work and Economic Growth

Governance Excellence

Sound governance underpins our ability to be resilient, responsive and trusted. We operate with transparency, risk awareness and long-term value creation in mind.

Governance Pillars Include:

- ESG data monitoring and continuous reporting
- Executive accountability and Board oversight
- Ethical compliance and risk management

Aligned SDGs:

- **SDG 9** Industry, Innovation and Infrastructure
- **SDG 12** Peace, Justice and Strong Institutions

We are expanding our ESG data capture, enhancing team accountability, and integrating climate-related risk scenarios into business planning. Our environmental metrics are actively reviewed by cross-functional teams and aligned with international frameworks.

Our ESG dashboard will be shared bi-annually and integrated into our performance scorecard.

Environmental, Social & Governance

CONTINUED

VM Group's 2024 ESG Efforts

Environmental Stewardship

In 2024, we embedded environmental resilience into our operations by addressing energy use, carbon emissions and climate vulnerabilities.

Key Metrics and Results:

- Energy Usage Breakdown: We captured detailed data on energy consumption and carbon outputs across our corporate and branch networks.
- Carbon Footprint Reports: Our Group developed and reviewed location-based emissions reports to guide future efficiency projects.
- Energy Efficiency Projects: Notable savings were recorded through LED retrofitting, HVAC optimisation, and building envelope improvements.
- Packaging Waste: Actions were implemented to reduce packaging material, boost recycling and partner with specialised waste processors for regular pickups.

Additional Oversight:

- Climate Change Vulnerability Assessments were initiated with reports on flood risk, insurance exposure, and infrastructure resilience.

Relevant SDGs:

- **SDG 7** Affordable and Clean Energy
- **SDG 12** Responsible Consumption and Production
- **SDG 13** Climate Action

Social Impact

We remain steadfast in advancing equity and community empowerment through data-backed programmes and structured reporting.

Highlights:

- Increased gender representation in leadership roles.
- Enhanced staff well-being through tracked participation in health, wellness and community service initiatives.
- We captured participation rates, programme satisfaction scores and volunteer hours as part of our social impact reporting suite.

Relevant SDGs:

- **SDG 3** Good Health and Well-being
- **SDG 4** Quality Education
- **SDG 5** Gender Equality
- **SDG 8** Decent Work and Economic Growth

Governance Excellence

Our governance model ensures that ESG is monitored, measured and enforced through clear lines of responsibility and rigorous reporting.

Among the Areas Tracked in 2024:

- GRI-aligned disclosures for emissions and energy use (Standards 302-1 & 302-2).
- A cross-functional ESG Working Group chaired by our Sustainability Officer reviewed performance on a quarterly basis.
- Ongoing refinement of ESG dashboards for executive visibility.

Relevant SDGs:

- **SDG 9** Industry, Innovation and Infrastructure
- **SDG 16** Peace, Justice and Strong Institutions

Data-Driven ESG Governance

We now publish ESG statistics semi-annually for internal benchmarking. In addition to carbon and energy metrics, we also track:

- Product-level energy efficiency and reductions in lifecycle consumption.
- Waste collection frequency and circularity adoption by business line.
- Climate risk mitigation actions, including asset-level assessments and insurance modeling.

Environmental, Social & Governance

CONTINUED

Environmental Stewardship (continued)

Recognising climate risk as business risk, VM Group is identifying and investing in renewable energy opportunities, consistent with GRI 201 (Economic Performance) and GRI 302 (Energy).

Key Actions:

- Developed green project opportunities through investment pilots.
- Shared learnings and policy recommendations with aligned sectors via stakeholder workshops.

Strengthening Reporting & Impact

There are plans to roll out a full GRI-referenced ESG disclosure framework with enhanced stakeholder access. Metrics will be captured semi-annually through integrated dashboards and evaluated by a multi-departmental ESG Taskforce.

GRI Standards Applied:

- **GRI 306-3, 306-4, 306-5** (Waste)
- **GRI 302-1, 302-2** (Energy Use)
- **GRI 103-1, 103-3** (Management Approach)

Key Actions & Outcomes

Waste Management (GRI 306):

- Partnered with **Recycling Partners of Jamaica** to reduce packaging waste across branches and service units.
- Introduced circularity practices targeting both upstream (supplier) and downstream (consumer) activities.

Green Energy Projects (GRI 302/103)oversight led by key leaders.

- Initiated tree-planting and land re-forestation programmes under a community lease model.
- Rolled out internal green audits to explore further energy-saving opportunities.

Relevant SDGs:

Social Impact

People are at the centre of our strategy. We remain committed to building a workplace that is safe, inclusive and **future-ready**, with policies now aligned with **GRI 403 (Occupational Health & Safety).**

GRI Standards Applied:

- **GRI 403-1 to 403-6** (2016/2018)
- **GRI 103** (Social Management Approach)

Key Metrics and Progress

- Maintained and improved our occupational health & safety system (OHSM) with certification targets set for 2025.
- Reported progress on OSHA and ISO compliance, including hazard identification, incident investigation, and occupational health services rollout.

Status: Maintain & Improve

Relevant SDGs:

Environmental Opportunities & Climate Strategy

Recognising climate risk as business risk, VM Group is identifying and investing in renewable energy opportunities, consistent with GRI 201 (Economic Performance) and GRI 302 (Energy).

Key Actions:

- Developed green project opportunities through investment pilots.
- Shared learnings and policy recommendations with aligned sectors via stakeholder workshops.

Status: Introduced

What's Next – Strengthening Reporting & Impact

In 2025, we will roll out a full GRI-referenced ESG disclosure framework with enhanced stakeholder access. Metrics will be captured semi-annually through integrated dashboards and evaluated by a multi-departmental ESG Taskforce.

Human Capital & Workforce Development

Aligned to GRI 403, 404, and 402

Our people are our power. We invest intentionally in human development, workforce resilience and employee engagement to ensure we remain not only competitive but purpose-driven. Our approach to Human Capital Management aligns with GRI Standards 403 (Occupational Health & Safety), 404 (Training & Education), and 402 (Labour Practices).

Environmental, Social & Governance

CONTINUED

SOCIAL IMPACT: EMPOWERING OUR TEAM MEMBERS

Training & Capacity Building

In 2024, the VM Group achieved strong gains in internal capability building.

Key Highlights (GRI 404-1 to 404-3):

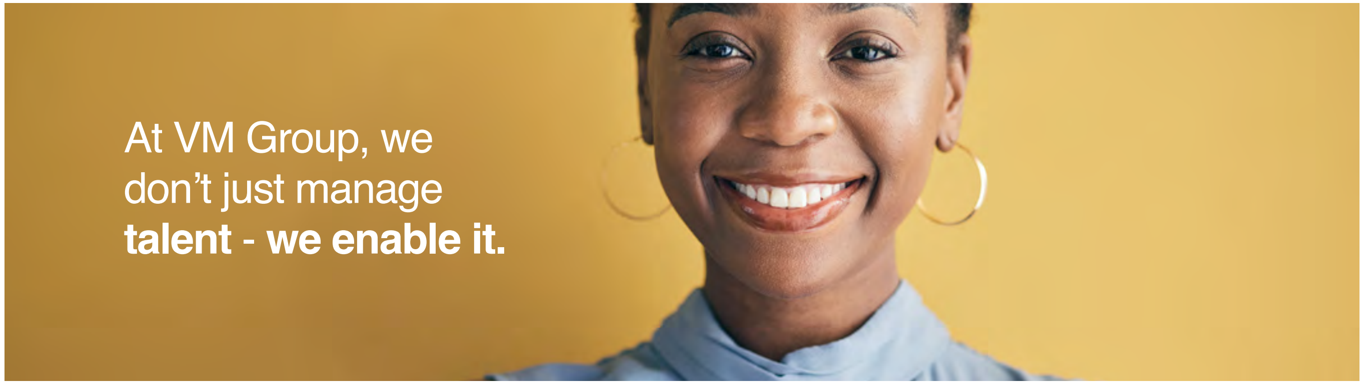
- Delivered Instructor-led Training to 825 participants, covering critical topics such as financial literacy, customer experience and ESG awareness.
- Average training hours increased year-over-year, supported by blended learning modalities.
- Ongoing tracking of training effectiveness and alignment to role progression.

Career Advancement & Promotions

Our internal mobility and succession planning continue to reinforce our culture of meritocracy.

- High-potential talent pools were refreshed with a focus on emerging leaders under 35.
- We maintained transparent promotion cycles with feedback loops supported by HR Business Partners. GRI Alignment:
- GRI 404-3 – Percentage of employees receiving regular performance and career development reviews

Human Resource Engagement Index (HREI)



The 2024 HREI score, derived from our annual engagement survey, remained robust across the Group.

- Key Score: 73% – indicating strong confidence in leadership, purpose alignment and opportunities for growth.
- Top-performing dimensions: Team collaboration, learning & development, and inclusivity.
- Areas for continued improvement: Work-life balance and workload management.

Labour Practices & Transparency

In line with GRI 402-1, we provide clarity and fairness in all labour transitions.

- Minimum 5 business days' notice is provided for any significant operational changes.

At VM Group, we don't just manage talent - we enable it.

- Labour policies are under regular review to ensure alignment with national labour codes and international best practices.

Impact Summary – Human Capital

Metric	2024 Performance	Status
Instructor-led training participants	825	**Completed**
HREI Score	73%	**Stable**
Advance Notice (Labour Change)	5 business days	**Standardised**

Our human capital efforts ensure our people are equipped, engaged and empowered to lead the future.

SOCIAL IMPACT: EMPOWERING OUR COMMUNITIES

Aligned to GRI 203, GRI 413

At the heart of the VM Group's social mandate lies a deep-rooted belief: a thriving business must be a responsible community partner. Our social investment agenda is not simply philanthropic - it is strategic, structured and aligned with the UN SDGs and GRI Standards.

Through direct investment, grassroots partnerships, and the work of the VM Foundation, we advanced key social priorities in 2024, improving livelihoods, building resilience, and expanding access to opportunity.

Responsible Investment

We define responsible investment as deploying capital in ways that generate economic returns while delivering social value. This includes:

- Support for MSMEs through financial education and microfinancing channels.
- Partnerships with community development finance institutions (CDFIs) to enhance credit access.
- ESG-screening of strategic investments to align with SDG 1 (No Poverty), SDG 8 (Decent Work), and SDG 10 (Reduced Inequality).

VM FOUNDATION IMPACT – 2024 HIGHLIGHTS

VM Foundation

IMPACT

The VM Foundation targeted programmes that focus on youth development, parenting and community develoment.

Education & Youth Development

- Impacted over 5,000 lives through back-to-school initiatives.
- Sponsored 74 scholarships and bursaries.
- Hosted the Future Builders Summit, engaging over 400 youth in entrepreneurship and digital skills training.
- With funding support from American Friends of Jamaica, the Foundation along with the Child and Adolescent Health Centre of the Kingston and St. Andrew Health Department, implemented a mental health resiliency programme at the Holy Trinity High School, providing over 200 students with skills and strategies for addressing trauma.

Parenting

Through VM Foundation's Positive Parenting Video Series 'In Di Streetz', the Team provided parents with practical advice and tools to navigate the challenges they face. In 2024, the Team produced 12 engaging episodes, reaching more than 91,000 viewers, making connections with parents across Jamaica and offering them valuable insights into raising resilient, well-rounded children.

Environmental, Social & Governance

CONTINUED

COMMUNITY ENGAGEMENT

GRI 413-1 reporting was implemented to assess the effectiveness of VM Foundation interventions and stakeholder consultation processes. Feedback loops were built into all major programmes to support continuous improvement and co-design with beneficiary communities.

In 2024, our Social Pillar wasn't just active—it was catalytic.

Through responsible investment and the work of the VM Foundation, we enabled communities not only to survive, but to thrive.

ACCESS TO COMMUNICATION

Aligned to GRI 102, GRI 417

Access to communication is a critical enabler of social equity, financial inclusion, and organisational transparency. At VM Group, we view communication as more than messaging - it is a strategic tool for empowerment, accessibility and trust-building across all stakeholder groups.

Corporate Communication Reach

In 2024, we enhanced our internal and external communication frameworks to increase clarity, consistency and digital accessibility. This included:

- Expanding content channels to reach underserved and rural customer segments.
- Launching quarterly updates and mobile-friendly formats for stakeholder briefings.
- Elevating internal communication through agile messaging systems and Group-wide staff webinars.

Key Metric (GRI 102 - General Disclosures):

At the end of December 2024, VM Group's Net Promoter Score for communication effectiveness stood at 87, reflecting high stakeholder satisfaction with the relevance, tone, and timeliness of corporate messages.

Technology & Digital Inclusion

Our digital equity efforts focused on ensuring that communication tools were universally accessible:

- Developed inclusive content in formats optimised for mobile and low-bandwidth regions.
- Expanded language diversity in financial education content.
- Streamlined communications for persons with disabilities,

GRI Alignment:

- **GRI 102-40 to 102-49** – Stakeholder inclusiveness & communication
- **GRI 417** – Marketing and labelling responsibility

SOCIAL IMPACT: PROVIDING ACCESS TO ALL

We will deepen our investment in inclusive communication by:

- Launching community-based digital literacy training
- Improving real-time feedback systems for stakeholders
- Strengthening partnerships with local NGOs to extend messaging reach

We are proud to report continued growth in our ability to reach, inform, and serve all our stakeholders - clearly, consistently, and inclusively.

ACCESS TO FINANCE

Aligned to GRI 201, 203, 417

At VM Group, we believe financial services should be inclusive, accessible, and designed to elevate communities. Under the Social Opportunity focus area, Access to Finance remains a core driver of our ESG strategy -empowering individuals, families, and MSMEs to build resilience and create generational value.

Expanding Financial Access

In 2024, we advanced inclusive financial initiatives to bridge gaps in underserved regions and demographics.

Key Initiatives Included:

- Development and rollout of low-barrier financial products tailored to the unbanked and underbanked.
- Launch of digitally enabled micro-savings platforms with education components targeting first-time savers.
- Integration of financial coaching with product onboarding across 7 branches and outreach centres.

Financial Education as a Tool for Inclusion

Our financial education programmes were a standout feature in 2024 -delivered via in-person sessions, webinars, and digital content.

Key Metric (GRI 203 & 417):

The Financial Education initiatives in 2024 were extended across all branches and social media channels, reaching more than 9,000 participants, with tailored content for youth, seniors, and small business owners.

These programmes focused on:

- Budgeting and debt management
- Credit literacy and responsible borrowing
- Business finance basics for MSMEs
- Women and finance empowerment sessions

Environmental, Social & Governance

CONTINUED

Supporting Community Resilience

Beyond education, our initiatives included structured community lending support and targeted outreach to drive usage and retention:

- Piloted **community finance days** with on-site credit assessments and tailored advice.
- Partnered with schools, churches, and civil society to reach new users.
- Enabled same-day account activation at mobile pop-up events.

Future Commitments

For 2025, we are:

- Introducing a Financial Mobility Index to measure real outcomes from financial access.
- Expanding credit counselling offerings via our digital banking app.
- Aligning micro-lending practices with UN SDG 10 – Reduced Inequality and SDG 8 – Decent Work and Economic Growth.

Through intentional design and deep community presence, VM Group is helping create pathways to prosperity for all.

GOVERNANCE PILLAR – CORPORATE BEHAVIOUR & ACCOUNTING

Aligned to GRI 205, 207, 419 I VM Group ESG Report 2024

At VM Group, good governance is not an internal exercise - it's a public promise. We hold ourselves to the highest standards of corporate ethics, financial reporting integrity, and regulatory compliance. Our governance approach ensures that risks are actively managed, decisions are transparent, and trust is embedded at every level of the enterprise.

Ethical Corporate Behaviour

In 2024, our Group continued to mature its governance framework, with a heightened focus on ethics, integrity, and anti-corruption.

GRI 205 – Anti-Corruption Practices:

- Annual staff certification on the Code of Ethical Conduct, completed by 100% of senior and mid-management.
- Deployment of a refreshed whistleblower policy and anonymous reporting platform with secure, third-party hosting.
- Mandatory anti-bribery and corruption training for all risk-rated roles.
- Periodic integrity reviews embedded into procurement, partnerships, and M&A due diligence.

Financial Accountability & Tax Transparency

We operate with full alignment to international accounting standards and maintain tax practices grounded in legality, fairness, and transparency.

GRI 207 – Tax:

- All tax positions are reviewed annually by external advisors and aligned to OECD BEPS standards.
- Country-by-country financial disclosures are prepared where relevant to regulatory expectations.
- We do not engage in aggressive tax planning or offshoring practices.

GRI 207-4 Key Disclosures:

All taxes and levies paid in 2024 were publicly disclosed in the Annual Financial Statements.
No material fines or penalties were incurred for non-compliance with financial or tax regulations.

Legal & Regulatory Compliance

GRI 419 – Socioeconomic Compliance:

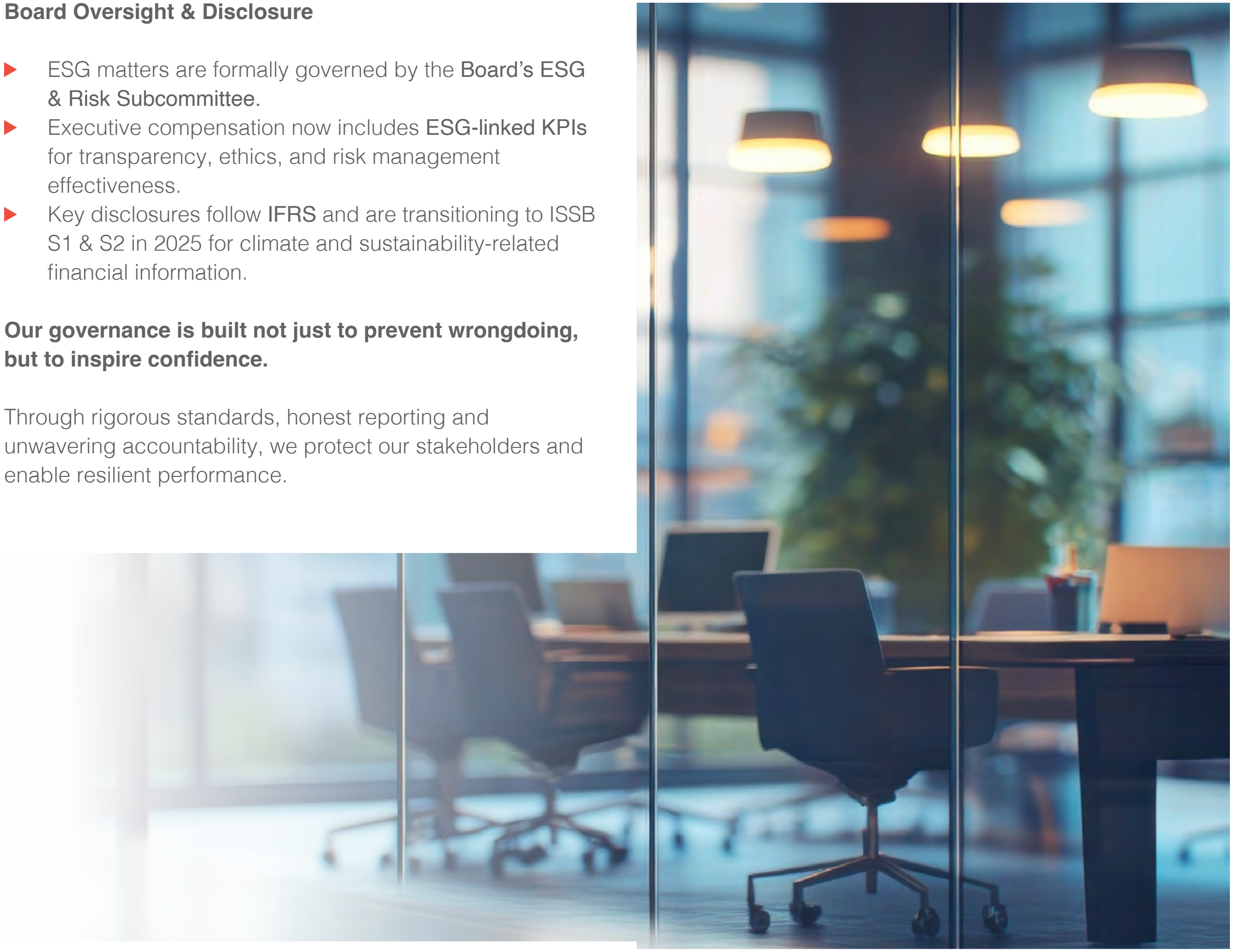
- In 2024, the Group achieved a zero-incidence rate of significant non-compliance with laws and regulations related to finance, employment, marketing, and privacy.
- All new compliance staff completed risk-based training in the areas of KYC/AML, customer privacy, and fiduciary duty.
- Periodic internal audits ensured that material business units adhered to policy, with governance dashboards shared at the Board level.

Board Oversight & Disclosure

- ESG matters are formally governed by the Board's ESG & Risk Subcommittee.
- Executive compensation now includes ESG-linked KPIs for transparency, ethics, and risk management effectiveness.
- Key disclosures follow IFRS and are transitioning to ISSB S1 & S2 in 2025 for climate and sustainability-related financial information.

Our governance is built not just to prevent wrongdoing, but to inspire confidence.

Through rigorous standards, honest reporting and unwavering accountability, we protect our stakeholders and enable resilient performance.



Corporate Governance Report

VM Group is committed to sound corporate governance principles, practices and processes, starting at the very top with the Board of Directors and filtering through every area of the enterprise. It is entrenched in our DNA.

Corporate Governance Report

The long-term success and sustainability of VM Group is based on the foundation of good governance to ensure that decisions taken by the Board and Management are always in the best interest of the VM Group and its Members and stakeholders.

The VM Group's Board of Directors is responsible for establishing the strategy and direction of the VM Group to achieve long-term goals and sustainability.

Board of Directors

The Board is responsible for making decisions in relation to governance, overall business direction, strategy and oversight for robust risk management, financial matters, regulatory compliance and effectively managing reputational risk matters.

Role of the Chairman

The Chairman in an independent director, appointed to lead the Board. The Chairman's responsibilities include ensuring that clear standards are established in order for the Board to operate effectively, setting the tone for sound corporate governance and the strategic direction.

Role of Group President and CEO

The Group President & CEO is a board member and has direct responsibility for the daily operations of the overall business areas and to drive operational efficiencies, oversee adequate risk controls and ensure cultural values guide daily operations. The Group President & CEO leads the Senior Management Team who are accountable for the collective decisions taken daily to manage the VM Group in a responsible manner. He reports regularly to the Board on management decisions and actions.

THE BOARD OF DIRECTORS' MAIN FOCUS AREAS FOR 2024

During the financial year 2024, the Board's main duties and responsibilities were:

- Strategic implementation of the Board-approved strategic plans, including serving the needs of customers, digital transformation, and regulatory matters.
- Talent Management and investing in our people, ensuring an appropriate and effective framework for talent acquisition and the development of the talent with adequate training and experience-based learning.
- **Financial Performance** - reviewing the financial and regulatory reports and ensuring that adequate and full information is reported, and approving the audited financial statements.
- **Risk Management, Compliance and Internal Controls** - overseeing and monitoring the Enterprise Risk Management Framework, compliance with risk appetite and risk tolerance limits. Ensure that the systems of internal controls are effective and appropriate action plans in place to achieve compliance.
- **Assessing Subsidiary Performance and Operations** - oversight of subsidiary boards through the reporting framework to continuously assess the performance of subsidiaries within the Group and ensure sound operating standards and compliance.

Corporate Governance Report

CONTINUED

The Board is chaired by an independent Chairman, Mr. Michael McMorris.

The directors who serve on the Board bring diverse skillsets, experiences and backgrounds to provide sound strategic direction for VM Group.

- Strategic Planning and Management/ Business Strategy Execution
- Banking/Financial Industry
- Accounting/Auditing
- International Markets
- Information Technology/ Digital
- Risk Management
- Mergers and Acquisitions
- Legal
- Human Resource Management

The VM Group and VM Financial Group Boards held nine board meetings during 2024 with two meetings focusing on strategic planning and execution. Directors' attendance and participation at board meetings is critical to the successful governance of the VM Group.

Attendance by Independent Directors

Michael McMorris (Chairman)	9/9
Matthew Wright (Deputy Chairman)	8/9
Phillip Silvera	7/9
Colin Wharfe	8/9
Noel daCosta	Retired March 31, 2024 - Q 1: 2/3
Brian Goldson	9/9
Maurice McNaughton	9/9
Michael McAnuff-Jones	8/9
Jeanne Robinson-Foster	8/9
Sandra Shirley-Auxilly	8/9

Executive Director

Courtney Campbell	9/9

BOARD COMMITTEES

The Board, in keeping with corporate governance standards and best practices, has implemented Board Committees to provide focused attention to key areas of the VM Group in order to ensure strong oversight.

The Board Committee members are appointed to serve in the areas aligned with their respective skills, competences and experience. The Board has also implemented approved charters to guide the duties and responsibilities of all committees with clear mandates for reporting to the Board on the key areas:

a. Group Audit

b. Group Corporate Governance, Nominations and Compensation.

c. Group Digital & IT Committee

Each of these committees' membership is composed exclusively of non-executive Directors to ensure that the principle of independence is preserved at all times and there is clear separation of the management reporting to the Board.

The Group Audit Committee

The primary purpose of this committee is to assist the Board of Directors in fulfilling its accountability for the efficient and effective oversight in the following subject areas:

a. The integrity of the financial statements, including subsidiaries.

b. Assessing the effectiveness of the internal controls, compliance with legal and regulatory requirements across all subsidiaries and the impact on the VM Group.

c. Consult with external auditors on the state of internal controls across the companies within the VM Group.

d. Oversee the independence of the Group Internal Audit Function, the execution of the Internal Audit Plan and the assessment of the effectiveness of the systems of controls to adequately protect the VM Group.

Corporate Governance Report

CONTINUED

COMMITTEE MEMBERS AND ATTENDANCE:

The primary purpose of this committee is to assist the Board of Directors in fulfilling its accountability for the efficient and effective oversight in the following subject areas:

VM Group Audit Committee Meetings

The Group Governance, Nomination and Compensation Committee

Sandra Shirley-Auxilly	4/4
Phillip Silvera	3/4
Colin Wharfe	4/4

The mandate of this committee is to assist the Board of Directors in fulfilling its responsibilities for:

a. Designing an effective Corporate Governance Framework, undertaking periodic reviews and making recommendations for reform, if necessary, to ensure the practice of good corporate governance and amending the framework accordingly, to address new areas and direct subsidiaries

b. Identifying qualified candidates for nomination to the Board and for service on committees of the Board and to serve on subsidiary Board

c. Overseeing the Board Performance Evaluation Survey, assessing the findings and implementation of an action plan to address the areas of focus and improvement

d. The formulation and oversight of performance incentive systems for all business units

e. The establishment of a policy framework to deal with related party transactions and conflicts of interest across the VM Group for areas of the operations.

VM Group Corporate Governance Committee Members and Attendance

During 2024 the Committee held five (5) meetings.

Michael McMorris	5/5
Jeanne Robinson-Foster	5/5
Brian Goldson	5/5
Michael McAnuff-Jones	5/5
Maurice McNaughton	5/5

The Group Digital & ICT Committee

The mandate of this Committee is to assist the Board of Directors in fulfilling its responsibilities for the VM Group and its subsidiaries:

a. Oversight and advice to each Board of Directors within the VM Group in respect of Digital and IT strategy, IT investments, IT architecture, IT operating model effectiveness, IT delivery performance, IT resilience controls, and Data management strategy for the Group's business models.

b. To ensure appropriate IT Governance policies and framework are implemented to assist the Committee and the Board in managing their oversight responsibilities for robust and sound sustainable Business Operating Model supported by Digital Transformation and IT.

c. Monitor the effectiveness of the IT Governance practices that guide the Business Model and Operations where supported by digital capabilities, IT Strategy, execution plans and appropriate IT resilience standards.

VM Group Digital & IT Committee Meetings and Attendance

During 2024 the Committee held four meetings

VM GROUP OVERALL GOVERNANCE PRACTICES AND FRAMEWORK

Maurice McNaughton	4/4
Brian Goldson	4/4
Colin Wharfe	4/4

The Board of Directors of VM Group stands on the pillars of effective corporate governance through the demonstration of principles of fairness, accountability, transparency and disclosure in all areas of our VM Group operations executed by the Board, Executives, Senior Managers, Managers and Team Members to achieve ethical and effective management of the VM Group for the benefit our Members and stakeholders.

2024 Performance Highlights

$823 Million
VM Group Consolidated Net Profit After Tax (NPAT)

$1.6 Billion
VM Financial Group NPAT up from **J$581 million** in **2023**

Net Interest Income rose by **10%** to
$6.5 Billion

$126 Billion
Loans grew by
3%

Net Fee Income grew by **22%** to
$2.6 Billion

2024 PERFORMANCE HIGHLIGHTS

Off-balance sheet assets increased **12%** at Pensions Management

Off-balance sheet assets increased **13%** at VM Wealth Management

Visa Platinum Business Credit Card LAUNCHED

VM Building Society LOAN PORTFOLIO up nearly **$14 Billion** to **$124 Billion**

and **SAVINGS PORTFOLIO** up nearly **$10 Billion** totaling **$153 Billion**

VM Wealth Funds Ltd established in **BARBADOS**

Group President & CEO's Report

"COMMITMENT ISN'T WHAT WE SAY - IT'S WHAT WE DO AND KEEP DOING, EVEN WHEN THE PATH GETS STEEP AND THE STAKES ARE HIGH."

COURTNEY CAMPBELL
Group President & CEO
VM Group

Commitment isn't what we say - it's what we do and keep doing - even when the path gets steep and the stakes are high. In 2024, VM Group upheld its commitment through steady progress and purposeful action.

VM GROUP IS:

Committed to our Members and Clients.

Committed to our Team.

Committed to performance, to innovation, to the communities we serve- and above all, to the mission that has guided us for over 146 years: transforming lives every step of the way.

This year, your Group delivered a powerful story of renewal and resilience. After a challenging 2023, we returned to profitability, strengthened our foundation, expanded our reach, and deepened our investment in people- both within our walls and beyond them.

A Business Rebounded and Reignited

The turnaround was clear and meaningful. The VM Group recorded a consolidated **Net Profit After Tax (NPAT) of J$823 million**, reversing last year's J$375 million loss. At the level of VM Financial Group, our NPAT soared to **J$1.6 billion**, up from **J$581 million** in 2023.

We delivered this performance by staying focused on the fundamentals:

- Net Interest Income rose by **10%** to **J$6.5 billion**
- Net Fee Income grew by **22%** to **J$2.6 billion**
- Loans grew by **3%**, reaching **J$125.5 billion** across the Group
- Savings Fund balances rose **7%** to **J$153.0 billion**
- Off-balance sheet assets increased by **13% at VM Wealth Management** and **12% at VM Pensions Management**

At VM Building Society, we grew our loan portfolio by nearly **J$14 billion** to reach **J$124 billion**, and savings fund grew by almost **J$10 billion**, totaling **J$153 billion**.

We also continued to evolve our offerings and expand our regional presence - launching the **Visa Platinum Business Credit Card** and establishing **VM Wealth Funds Ltd** in Barbados, our first location in the wider Caribbean. The Barbados office has introduced over **1,300 Clients** to the VM Group and now manages **US$10 million** in assets.

Another exciting development was the launch of **VM Business Services**, which extends VM's trusted brand of caring expertise and mission of transformation to the business community. This new unit will take on greater energy and focus in 2025 and beyond as we deepen our support for business success across Jamaica.

These are not just business wins - they are signals of stability and growth. They are proof that we are building forward - with discipline, direction, and deep conviction.

Supporting and Empowering Members and Clients

Yet, our progress isn't defined by profits and balance sheets alone - it's also reflected in how we show up: for our people, in our communities and with a clear sense of purpose. That's why 2024 saw the launch of **VM on the Move**, an outreach initiative that brings VM directly into communities - urban and rural, large and small - to share how financial knowledge and access can transform lives. One especially meaningful moment came in **Kellits, Clarendon** - the community where I spent most of my childhood years. Returning there as a representative of an institution committed to empowering Jamaicans was deeply personal.

This series will continue into 2025, because we believe that financial literacy and inclusion are not privileges - they are rights. And it is our role to help facilitate this right for our people.

In that same spirit, **VM Money Transfer Services** recorded over 1 million transactions - a **25% increase** - bringing vital remittances into the hands of families across the island.

Perhaps most profoundly, our **VM Pensions** team helped expand financial inclusion by bringing 1,229 new lives under pension coverage - a **29% increase**, driven significantly by Approved Retirement Scheme (ARS) Clients who were previously outside of any formal pension system. These numbers reflect not just growth - they reflect lives changed, futures protected, and the deeper mission that also drives our community work.

Group President & CEO's Report

CONTINUED

In alignment with this purpose-driven approach, the VM Foundation continued to lead high-impact programmes focused on youth development, parenting and community development. I am particularly proud that in 2024, the Foundation impacted thousands of lives through back-to-school initiatives, awarded 74 scholarships and bursaries, and donated $1.5 million to the St. Jago Park Health Centre in Spanish Town, St Catherine, to procure vital medical equipment and supplies, benefiting thousands of Jamaicans who depend on the facility. Through the Foundation's small grants programmes, community organisations were supported in implementing youth summits, empowering the next generation of changemakers – and demonstrating that our commitment to transformation goes far beyond our core business.

Investing in Our People

At the heart of VM's success is a team that believes in something bigger than themselves.

IN 2024:

- **154 training courses** were completed by our team, accounting for over **6,400 hours of development**
- **91** Team Members became VM homeowners through our mortgage offering
- **66** colleagues earned promotions
- **53** Team Members pursued higher education - and **21** proudly graduated with new qualifications

This is what it means to be a learning organisation - one where we do not just build systems, we build people.

We invest in the dreams of our Team Members because they are the ones who bring the VM dream to life, every single day.

Bridging Academia and Industry:

The UWI Mona/VM Group Distinguished Lecture Series

In 2024, VM Group partnered with The University of the West Indies, Mona Campus, to deliver the **UWI Mona/VM Group Distinguished Lecture Series**. This initiative aims to bridge the gap between academia and corporate Jamaica, fostering dialogue that leads to actionable solutions for national and regional development.

The series featured prominent speakers addressing critical topics:

- **Dr. Simone Badal McCreath**, a Jamaican biochemist, delivered a lecture on prostate cancer research, highlighting advancements in medical science and their implications for public health.
- **Professor Bharat Anand**, Vice Provost for Advances in Learning at Harvard University, presented on digital transformation and generative AI, discussing their strategic impact on organisations and economies.

These lectures exemplify our commitment to fostering intellectual engagement and applying academic research to real-world challenges.

The VM Group partnered with the University of the West Indies (UWI), Mona to host a Distinguished Lecture series. On March 21, 2024 Dr Simone Badal McCreath delivered a lecture on her groundbreaking prostate and breast cancer research titled 'Levelling the Playing Field for Black People with Cancer'. The UWI Mona/VM Group Distinguished Lecture Series aims to raise awareness and foster discussions on critical issues. Dr. Badal's research focuses on developing cancer cell lines from the Caribbean, particularly for breast and prostate cancers, to address disparities in treatment for people of African descent.

VM Group Chairman Michael McMorris (left) has a chat with Harvard Professor Bharat Anand, an expert in digital strategy, digital marketing and corporate strategy. Professor Anand delivered the third in the UWI Mona/VM Group Distinguished Lecture series on November 7, 2024, on the topic 'Digital Transformation, Generative AI and Strategy'.

Harvard Professor Bharat Anand, an expert in digital strategy, digital marketing and corporate strategy delivers the third in the UWI Mona/VM Group Distinguished Lecture series on November 7, 2024, on the topic 'Digital Transformation, Generative AI and Strategy'.

Preparing for the Future

Our focus is not only on today - but on building a stronger tomorrow.

That's why we've engaged the **London Consulting Group** to help us sharpen our strategies for efficiency and effectiveness across the enterprise - work that will take shape in 2025 and beyond.

We are also investing in leadership - appointing proven, capable individuals to key roles:

- **Frederick Williams**, Group Chief Financial Officer
- **Amanda Collins-Madden**, Group Chief Sales Officer
- **Stephen Shim**, Vice President and Head of Group ICT
- **Denis Gray**, promoted to Group Chief Risk Officer

Each appointment reflects a deliberate investment in finance, sales, technology, and risk- areas vital to the resilience and growth of our business.

With Deep Appreciation

As we reflect on a year of challenge and triumph, I extend my sincere gratitude to two distinguished VM Leaders: Director **Noel daCosta** and **Janice McKenley**, who served as Group Chief Financial Officer. Both retired from the VM Group in 2024 after years of dedicated and exemplary service, marked by wisdom, integrity, and a steadfast belief in the principles that guide VM Group. Their contributions have helped shape the path we walk today, and their legacy remains a foundation for our future.

Thank You

I also extend heartfelt thanks to our **Members and Clients** for their continued trust, to our **Board of Directors** for their stewardship, and to our **Team Members** for their unwavering dedication. It is through your collective commitment that VM continues to grow, evolve, and deliver on our mission.

Looking Ahead

We understand that true commitment is shown through consistent action - through listening, learning and leading with both courage and humility.

We will continue to serve our Members, Clients, and Team with excellence, building a future that is bold, resilient, and inclusive.

Above all, we remain focused on what matters most: transforming lives through every decision, every innovation and every step we take forward.

Together, we move forward - with purpose, with confidence and with an unshakable commitment to Transform Your Everyday.

COURTNEY CAMPBELL
Group President & CEO
VM Group

Our **Leadership Teams** are COMMITTED

Group Executives

COURTNEY CAMPBELL
CD, MBA (Dist), ACIB, BSc, JP, LLD (Hon)
Group President & CEO
VM Group

PETER REID
BA (Hons)
Deputy Chief Executive Officer
VM Group

PAUL ELLIOTT
AICB, MBA, BSc (Hons)
Chief Executive Officer
VM Building Society

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

FREDERICK WILLIAMS
BSc, FCCA
Group Chief Financial Officer
Appointed January 2025

Group Executives

CONTINUED

KERI-GAYE BROWN
MBA (Dist), LL.B (Hons)
Group Chief Legal, Risk & Compliance Officer & Corporate Secretary

JUDITH FORTH BLAKE
MBA, BA (Hons)
Group Chief Customer & Brand Officer

DAYTON ROBINSON
DBA, MSc, BSc (Hons), SPHR
Group Chief Human Resources Officer

MAURICE BARNES
MSc (Distinction)
Chief Executive Officer
VM Innovations

LEIGHTON SMITH
MBA, BBA
Vice President, VMBS and Chief Executive Officer
VM Finance Limited

GROUP EXECUTIVES

CARLA MCINTOSH GORDON
MSc, BA, PMP, BSP
Group Chief Strategy Officer

MICHAEL HOWARD
MBA, BSc
Chief Executive Officer
VM Money Transfer Services Ltd

NATALIE BENNETT
MBA
Chief Executive Officer
VM Pensions Management Ltd

ALLISON MORGAN
MBA, BA, JP
Chief Executive Officer
VM Property Services Ltd

BRIAN FRAZER
BSc, CFA
Chief Treasury Officer

Group Executives

CONTINUED

RENÉ ALLEN-CASEY
FCCA, FCA, CIA, CIRM, Dip, BA
Group Chief Internal Auditor

AMANDA COLLINS-MADDEN
MBA, BSc
Group Chief Sales Officer

DENIS GRAY
FCA, MCBI, BSc, MSc, MBA
Group Chief Risk Officer

Senior Leaders with Group Functions

STEPHEN SHIM
MBA, MSc, BSc
Vice President
Group ICT

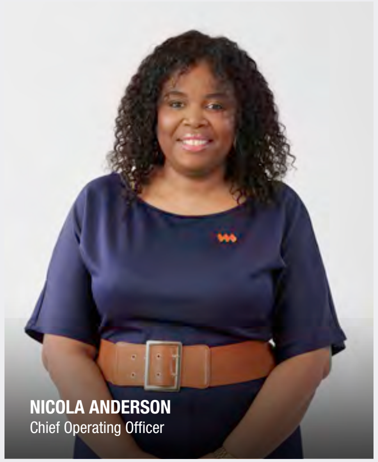
ADAM HARRIS
MBA, BA
Vice President
Strategic Investments

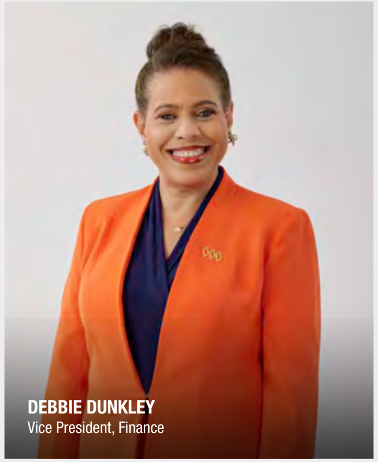
SAMANTHA CHARLES
LLB (Hons), FCA, FCCA
Chief Executive Officer
VM Foundation

CLOVER MOORE
MBA, MCBI
Assistant Vice President
Group Corporate Affairs and Communications

JOHN GIBSON
BSc, CIPM,CRISC,CDPSE,CISSP
Data Protection Officer

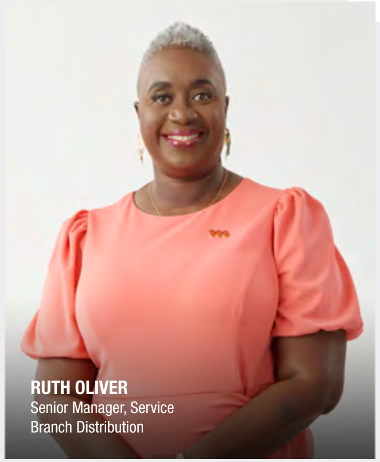
VM Building Society Leadership Team





VM BUILDING SOCIETY LEADERSHIP TEAM ▶ CONTINUED

ANDREA FYFFE-LYNCH
Assistant Vice President
Card Services



RUTH OLIVER
Senior Manager, Service
Branch Distribution

FRANKLYN MOULTON
Senior Manager
Sales

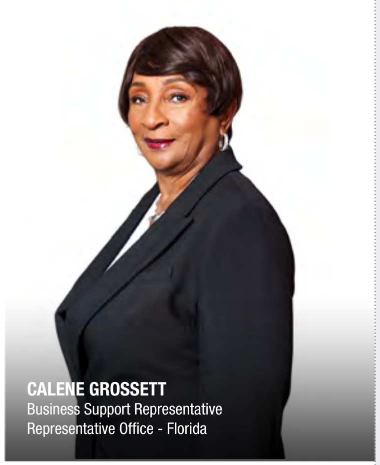
ROBERT FOSTER
Senior Manager
SME and Corporate Solutions

VMBS Overseas Rep Offices Teams

LEIGHTON SMITH
Chief Executive Officer

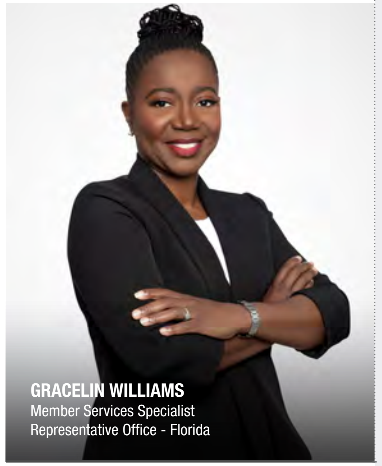
Florida

SUZETTE ROCHESTER-LLOYD
Chief Representative Officer
Representative Office - Florida



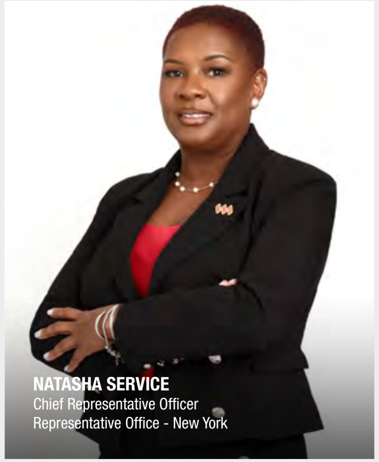
CALENE GROSSETT
Business Support Representative
Representative Office - Florida

BERESFORD NELSON
Business Development Associate
Representative Office - Florida



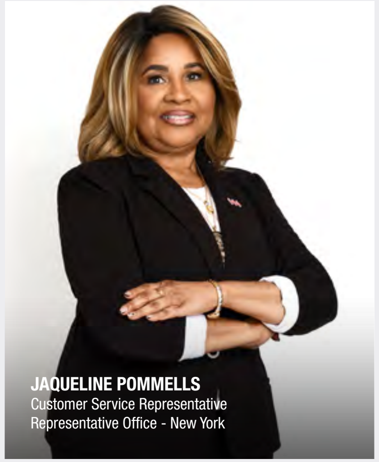
GRACELIN WILLIAMS
Member Services Specialist
Representative Office - Florida

New York



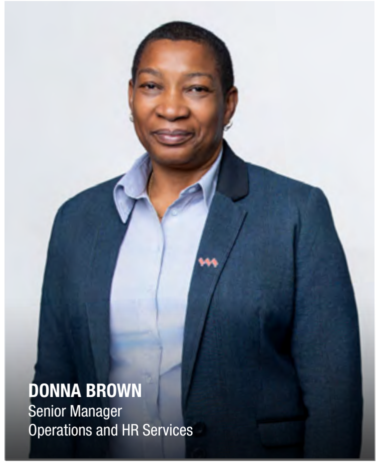
NATASHA SERVICE
Chief Representative Officer
Representative Office - New York

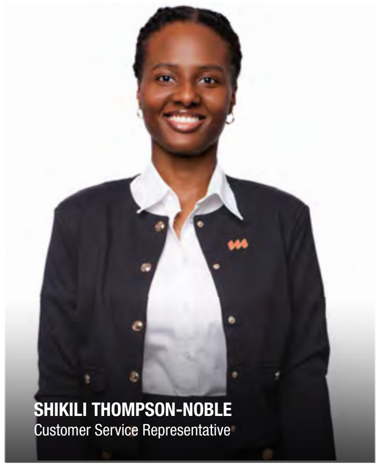
SHAWNETTE REID
Business Development Associate
Representative Office - New York



JAQUELINE POMMELLS
Customer Service Representative
Representative Office - New York

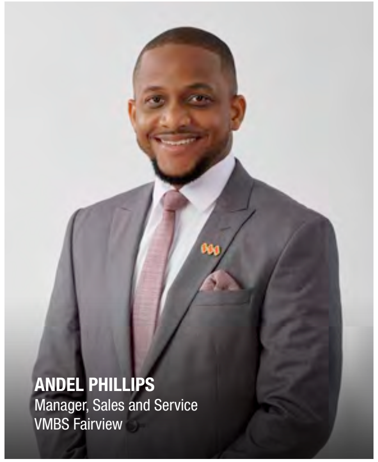
United Kingdom



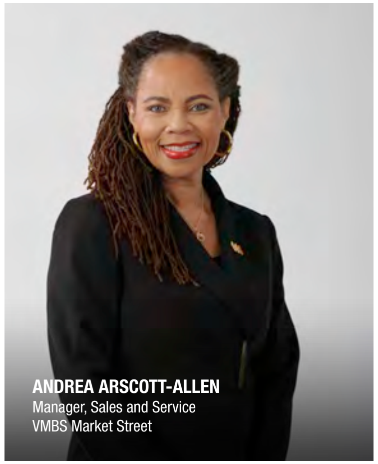


Branch Leadership

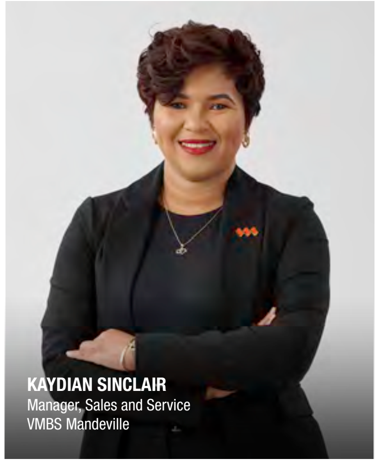
Western Region



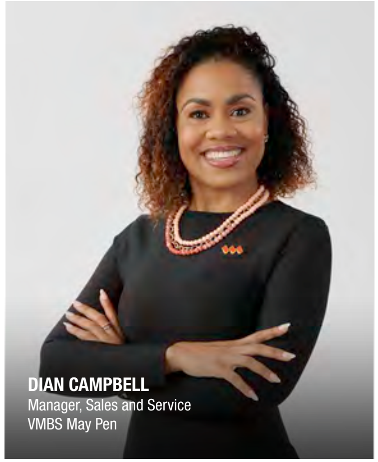
ANDEL PHILLIPS
Manager, Sales and Service
VMBS Fairview



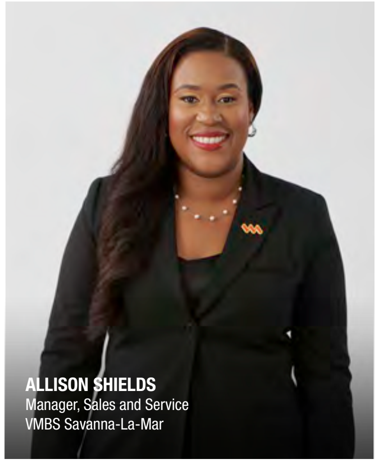
ANDREA ARSCOTT-ALLEN
Manager, Sales and Service
VMBS Market Street



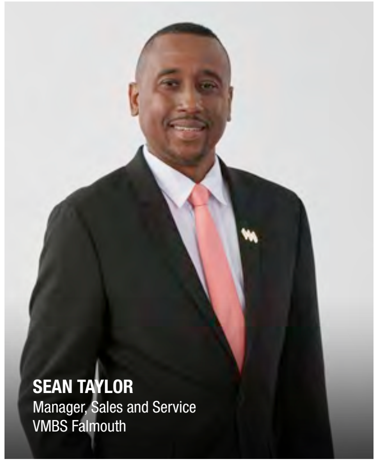
KAYDIAN SINCLAIR
Manager, Sales and Service
VMBS Mandeville



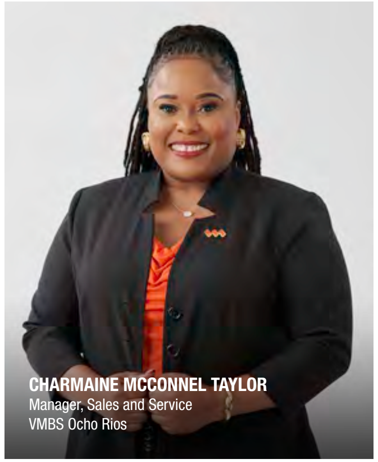
DIAN CAMPBELL
Manager, Sales and Service
VMBS May Pen



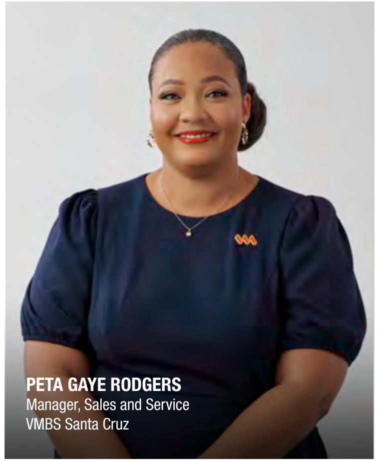
ALLISON SHIELDS
Manager, Sales and Service
VMBS Savanna-La-Mar



SEAN TAYLOR
Manager, Sales and Service
VMBS Falmouth



CHARMAINE MCCONNEL TAYLOR
Manager, Sales and Service
VMBS Ocho Rios

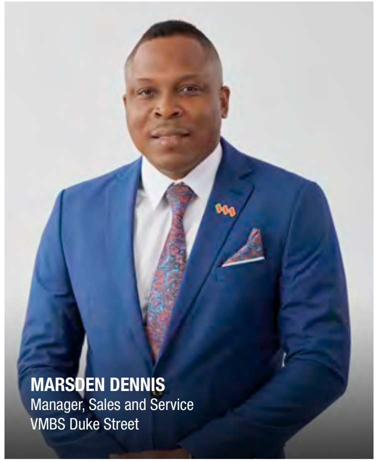


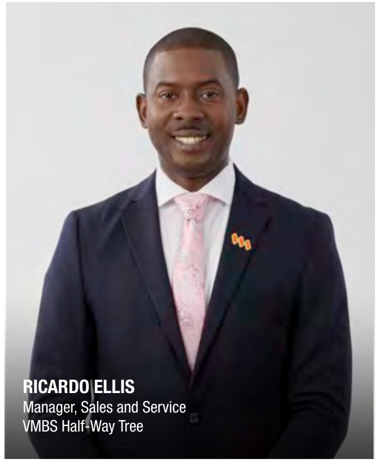
PETA GAYE RODGERS
Manager, Sales and Service
VMBS Santa Cruz

Branch Leadership

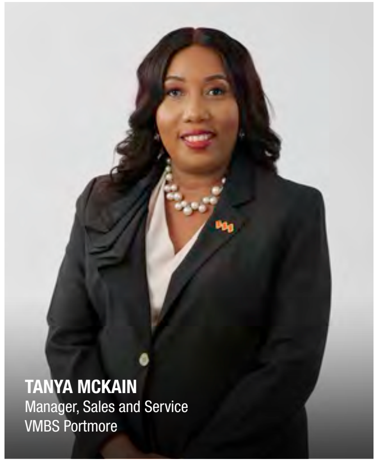
Eastern Region

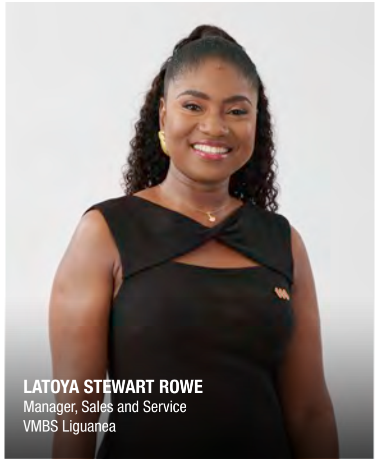

JOY BUNTING PUSEY
Manager, Sales and Service
VMBS Spanish Town


MARSDEN DENNIS
Manager, Sales and Service
VMBS Duke Street


RICARDO ELLIS
Manager, Sales and Service
VMBS Half-Way Tree


CHERESE STEWART
Manager, Sales and Service
VMBS Linstead

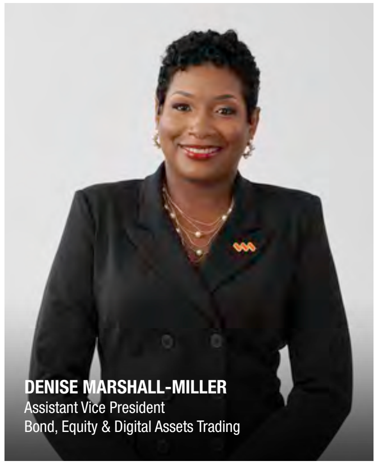

TANYA MCKAIN
Manager, Sales and Service
VMBS Portmore

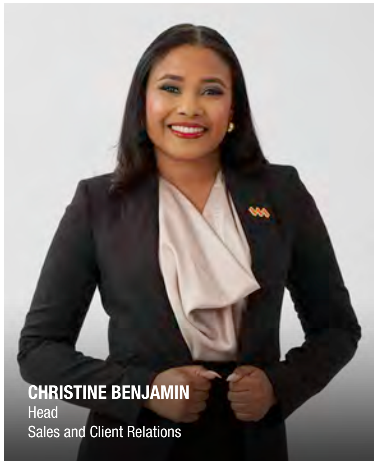

LATOYA STEWART ROWE
Manager, Sales and Service
VMBS Liguanea


ORLANDO MAYNARD
Manager, Sales and Service
VMBSUniversity of Technology

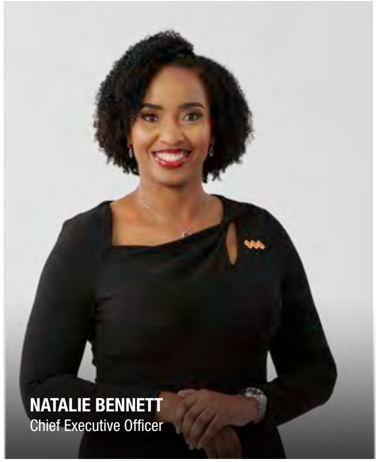
NOT PICTURED
GAVIN RIDLEY
Manager, Sales and Service
VMBS New Kingston

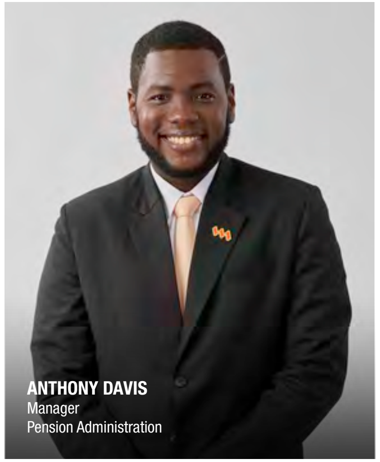
VM Wealth Management Leadership Team





VM Pensions Management Leadership Team





VM Finance Leadership Team

LEIGHTON SMITH
Chief Executive Officer

ANDREW EVANS
Deputy CEO

JOHN WYBAR
Head
Business Development

SAHEEL WALJI
Relationship Manager
Specialized Lending

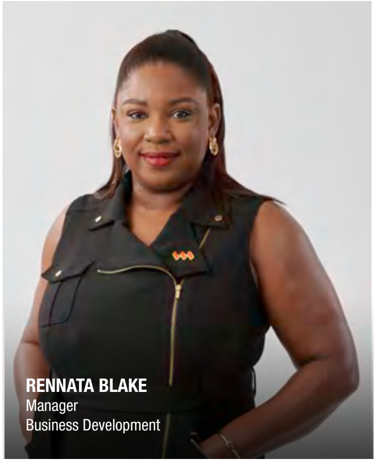
PAUL CLARE
Manager
Credit Administration

HENRY LINEHAN
Relationship Manager

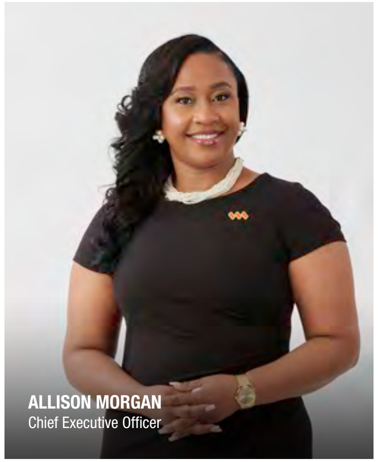
JANE KERPENS-LEE
Manager
Credit Administration

DONNA BROWN
Senior Manager
Operations and HR Services

VM Money Transfer Services Leadership Team

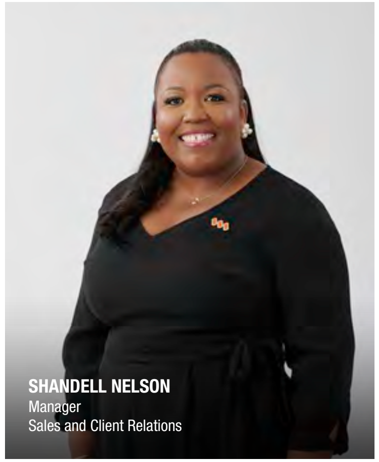


VM Property Services Leadership Team

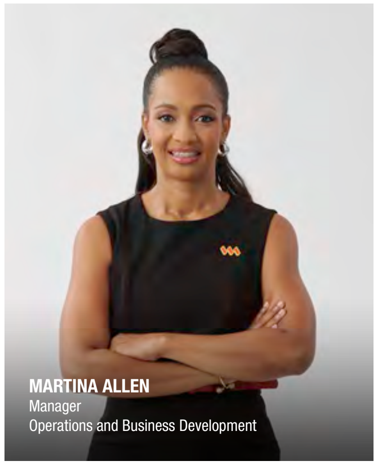


ALLISON MORGAN
Chief Executive Officer

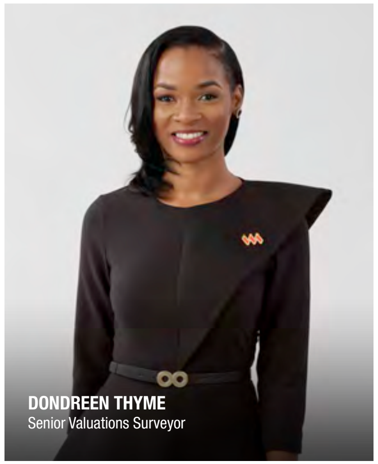
WINSTON JOSEPHS
Manager and Qualifying Director
Valuations



SHANDELL NELSON
Manager
Sales and Client Relations



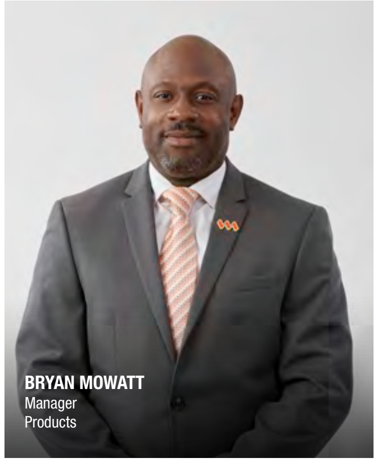
MARTINA ALLEN
Manager
Operations and Business Development



DONDREEN THYME
Senior Valuations Surveyor

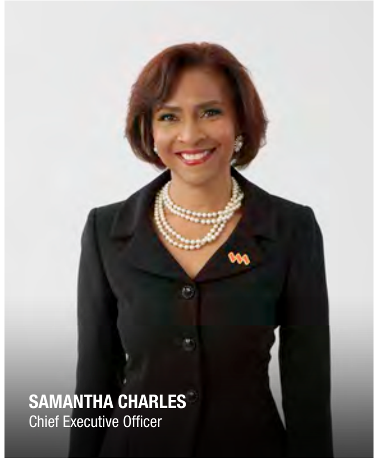
VM Innovations Team

MAURICE BARNES
Chief Executive Officer



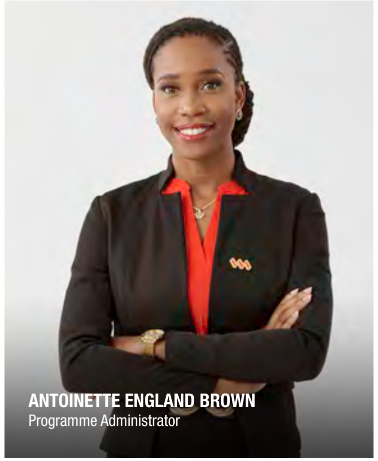
BRYAN MOWATT
Manager
Products

VM Foundation Team



SAMANTHA CHARLES
Chief Executive Officer

ANDRE ROBB
Programme Lead



ANTOINETTE ENGLAND BROWN
Programme Administrator


COMMITTED
TO HELPING
BUSINESSES GROW
AND THRIVE
VM GROUP

Transform Your Everyday

MD&A

MANAGEMENT DISCUSSION & ANALYSIS

Management Discussion & Analysis

INTRODUCTION

Though rooted in the history of Jamaica, the VM Group is a global financial institution **committed to transforming the lives of Jamaicans** at home and overseas. Even with over 146 years of unbroken service, the VM story is still being written. Drawing on multiple business lines across 10 subsidiaries and associated companies, the VM Group is on a mission to build a **strong, diversified yet integrated Group**.

By leveraging the power of **Mutuality**, the VM Group has strategically and purposefully **committed** to transforming the lives of our **Members & Clients, Our Team Members, and Our Communities**. This commitment is demonstrated in several ways:

MEMBERS AND CLIENTS

- Motivate us to provide common-sense, yet sustainable solutions designed to meet their needs beyond today and to deliver a service experience that is built on **support, speed, and sincerity**.

TEAM MEMBERS

- Compel us to create a work environment where our people are empowered, supported, driven to achieve performance excellence, and inspired to grow alongside the business they help to shape.

COMMUNITIES IN WHICH WE OPERATE

- Mandate us to be responsible neighbours, partnering to build societies by co-creating solutions that engender shared prosperity beyond today's generation.

Every milestone achieved, every challenge faced, and every commitment demonstrated in 2024 made us stronger and better positioned the Group for the future. The discussion that follows represents Management's efforts to provide an overview of some of these milestones, challenges and commitments. It highlights the Group's strategic direction and performance outcomes across key dimensions of the business for 2024.

OUR OPERATING ENVIRONMENT

The economic headwinds of persistent inflation and sustained high interest rates that challenged our operations in 2022 and 2023 have, for the most part, subsided with interest rates declining in response to lower inflation, albeit closer to the end of the year. With the exception of Jamaica, where Hurricane Beryl triggered negative economic growth, all other territories in which we operate saw positive economic growth, though lower than 2023. The VM Group benefitted from the lower interest rate tail winds towards the end of the financial year with improved funding cost. Additionally, while there were political and geopolitical shifts as well as some regulatory changes in the more developed countries in which we operate, those shifts either did not impact our operations directly, or their impact and implications did not occur in 2024 but are expected to impact the environment in 2025 and beyond.

> "Though rooted in the history of Jamaica, the VM Group is a global financial institution committed to transforming the lives of Jamaicans at home and overseas"

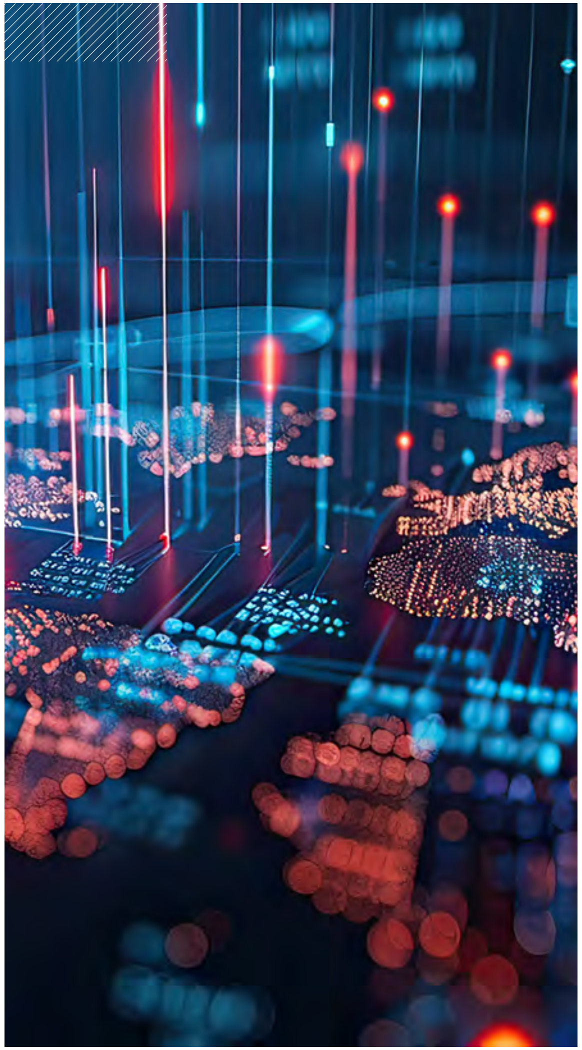
Management Discussion & Analysis

CONTINUED

Below are graphical summaries of the major economic occurrences and developments during the financial year 2024 in various operating regions as well as preliminary forecasts for 2025 and 2026.

KEY ECONOMIC INDICATORS BY COUNTRY - ACTUAL & FORECAST

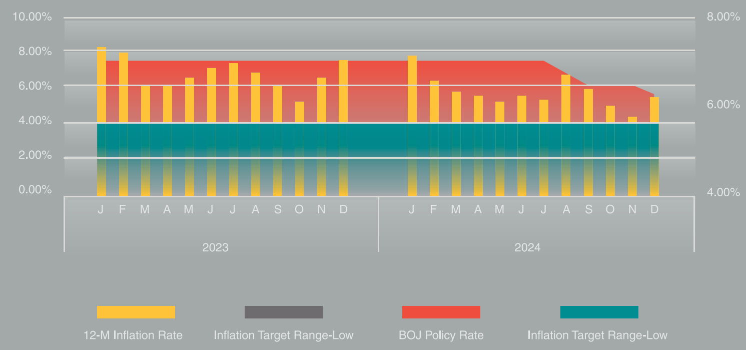
Country	Variable (%)	2022	2023	2024	2025F	2026F
Jamaica	GDP Growth Rate	5.20	2.60	(0.70)	2.20	3.00
	BOJ Policy Rate	7.00	7.00	6.00	5.75	5.00
	Inflation Rate	9.35	6.69	4.97	5.00	5.00
	Unemployment Rate	6.28	4.38	3.50	4.00	4.50
Barbados	GDP Growth Rate	13.80	4.20	4.00	2.80	2.00
	Central Bank Policy Rate	2.00	2.00	2.00	2.00	2.00
	Inflation Rate	4.30	3.20	1.40	1.50	2.50
	Unemployment Rate	8.40	8.30	7.10	7.80	7.70
USA	GDP Growth Rate	2.50	2.90	2.80	1.70	1.80
	Central Bank Policy Rate	4.50	5.50	4.50	3.90	3.40
	Inflation Rate	6.50	3.40	2.90	2.50	2.20
	Unemployment Rate	3.50	3.60	4.10	4.40	4.30
UK	GDP Growth Rate	4.00	0.10	1.10	1.10	1.40
	Central Bank Policy Rate	3.25	5.25	4.75	4.20	4.10
	Inflation Rate	9.10	7.30	2.50	3.40	2.70
	Unemployment Rate	3.70	4.30	4.40	4.50	4.70
Canada	GDP Growth Rate	3.80	1.10	1.50	1.40	1.60
	Central Bank Policy Rate	4.25	5.00	3.25	2.25	2.00
	Inflation Rate	6.80	3.90	1.80	2.30	2.10
	Unemployment Rate	5.3	5.40	6.70	6.40	6.30



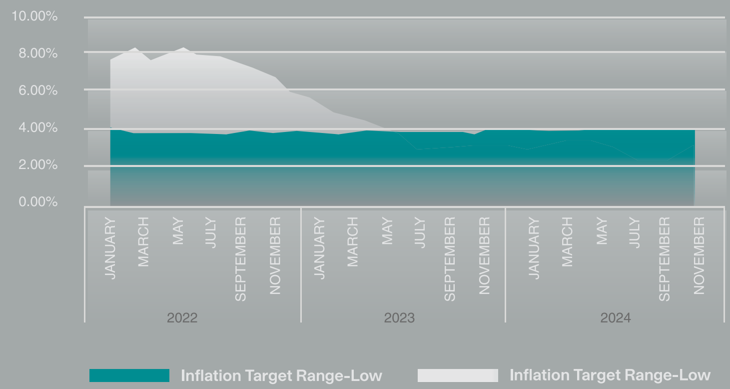
MANAGEMENT DISCUSSION & ANALYSIS

GDP Growth has slowed since economy reopened

Inflation trended within the BOJ Target range



US Unemployment Rising as inflation stabilizes



Management Discussion & Analysis

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INDUSTRY OVERVIEW

Despite the evolving macroeconomic environment, the financial system remained essentially stable in 2024. Deposit-taking institutions (DTIs) maintained strong liquidity and capital positions, while their loan portfolios, primarily driven by household mortgages, grew at a slower pace than in 2023. Overall loan quality remained adequate, reflecting low loan quality ratios with potential risks being actively monitored and managed. The easing of domestic monetary policy in 2024 led to mixed responses among players in the financial sector. DTIs increased lending to households, especially, with inflation-adjusted growth of 7% across total household loans, an improvement relative to the 4.5% which occurred in 2023. Additionally, the financial system remained strong with the Risk-Weighted Capital Adequacy Ratio (CAR) and Liquidity Coverage Ratios (LCRs) closing 2024 at 15.63% and 141.2% respectively.

ECONOMIC OUTLOOK

Global growth remained subdued in 2024 and is projected to slow further due to increasing trade tensions. The US tariffs and retaliatory measures from trading partners have triggered significant uncertainty in the global market space. As of April 4, 2025, the IMF's reference forecast projects global growth at 2.8% in 2025 and 3.0% in 2026, down from 3.3% in the previous forecast three months prior. Lower economic growth for advanced and emerging economies driven primarily by trade uncertainty and softening demand, is forecast even in the face of easing of global inflation. Other related downside risks - including market instability especially in the face of downgraded US credit rating, could threaten global economic resilience.

Jamaica's economy is expected to recover moderately in 2025, following the disruptions caused by Hurricane Beryl in 2024. The Bank of Jamaica (BOJ) projects real GDP growth between 1.0% and 3.0% for FY2025/26, supported by a rebound in tourism and sectors impacted by the hurricane. Inflation is expected to stay within target as proactive monetary policy continues to help stabilise the economy. The equities market is likely to remain sluggish until late 2025, while fixed income is expected to see stronger demand as interest rates decline.

Accordingly, the VM Group can anticipate a mix of challenges and opportunities presented by the global and local economic landscapes in 2025 and beyond.

VM GROUP'S FINANCIAL PERFORMANCE

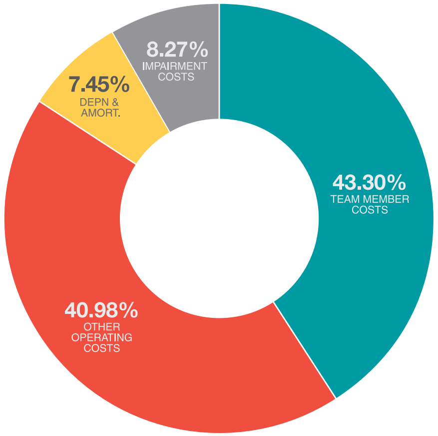
Despite the twists and turns of our operating environment here in Jamaica and overseas, the VM Group, mission-driven and deliberate in the execution of its strategy was able to close 2024 with a financial performance that is significantly better than the outcomes for 2023. Our financial performance, seen through the lens of our Net Profit and Total Operating Revenue tells a positive story. These two financial indicators closed the year outstripping 2023 by $1.20 billion (320%) and $4.26 billion (40.21%) respectively. All categories of revenue including Net Interest Income, Fees & Commissions and Revenue from Strategic Alliances improved relative to 2023.

VM Group: Summary of Results	2024	2023
	$'000	$'000
Net Interest income	6,514,220	5,903,481
Net fee & commission income	2,551,750	2,096,407
Other operating revenue	5,781,548	2,589,529
Total operating revenue	**14,847,518**	**10,589,417**
Total operating expenses	(14,769,297)	(11,543,171)
Share of profits of associates	455,448	442,161
Profit/(loss) before income tax	**533,669**	**(511,593)**
Income Tax	289,780	136,938
Net Profit	**823,449**	**(374,655)**

MANAGEMENT DISCUSSION & ANALYSIS

Evidence of the revenue growth is also provided by the 2%-point increase in the Group's asset utilisation ratio yielding an additional $245 million in revenue compared to prior year. Further, the strong revenue growth reflects improvement in almost all business lines, and points to the level of revenue diversity necessary in an intensely competitive environment and secures a strong footing on which to engineer success in the ensuing years.

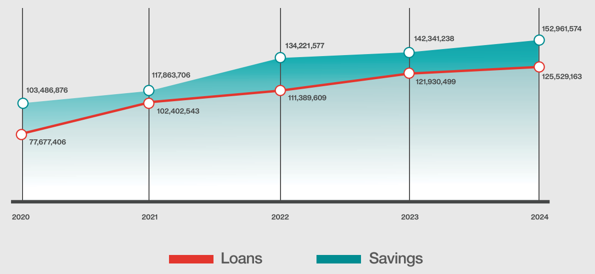
Use of Resources



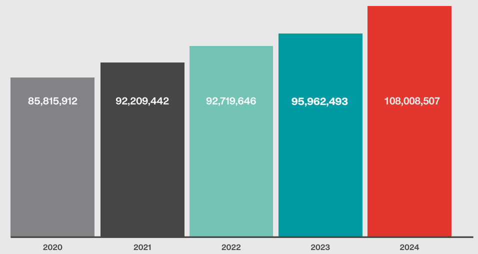
During the review period, our total operating expenses grew by 27.95% as we continue to invest in our critical resources - people, technological infrastructure as well as customer touchpoints and supporting services. The efficiencies gained in our use of resources coupled with the gains in revenue helped to improve our cost to income ratio by almost 14% points to 88.53%.

Members and Clients continued to turn to us to finance their homes and other assets, and as such, in 2024 our loan portfolio grew by $3.60 billion to $125.53 billion, accounting for 8.47% of total industry loans. Additionally, Members and Clients continued to entrust us with their life savings and increased their savings funds with the Group by $10.62 billion which pushed our share of the industry's deposits to almost 8%. During this period, we also welcomed a number of new Members who capitalised on our enhanced and streamlined pool of iSave products.

Loan and Savings Portfolios (J$000)



Assets Under Management (J$000)



We provided investment and pension solutions to almost 3,000 new clients helping them to create wealth and plan for their future. In the process, we grew our Assets under Management by $12.05 billion (12.55%). The growth in VM's pension portfolio underscores our commitment to advance the national mandate of financial inclusion and the related objective to increase the number of Jamaicans with retirement plans. This portfolio grew faster than the market resulting in year-over-year improvement in its share of the market.

Management Discussion & Analysis
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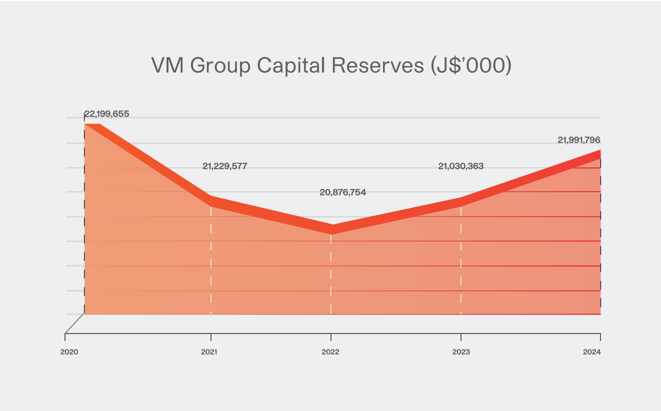


Our pool of Capital and Reserves was strengthened in 2024 by almost $1 billion, yet our Capital to Assets ratio dipped marginally, speaking to the strong growth in balance sheet assets. Taken together, our total assets including assets under management increased by $21.86 billion, our strongest year over year growth since 2021.

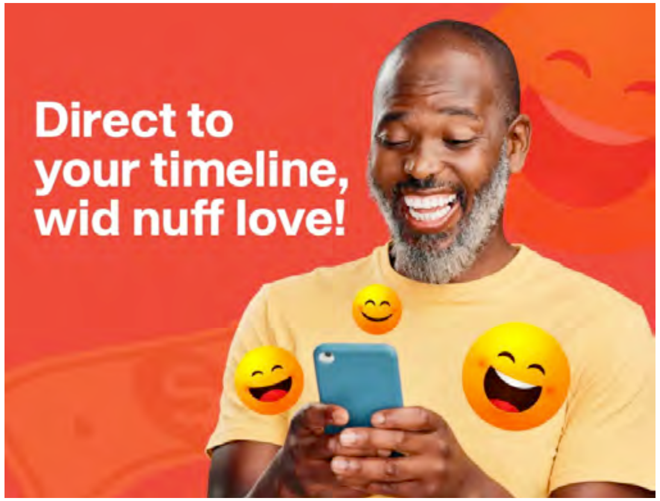
During this period, our businesses outside of Jamaica gained significant ground as we continued to support our Members and Clients in the diaspora in their efforts to achieve financial wellbeing. VM Finance, our subsidiary operating in the United Kingdom, advanced loans totalling GBP 6.5 million bringing the total loans disbursed over its six years of operations to over GBP 200 million.

Carilend

Carilend, our strategic partner with a presence in Barbados, Trinidad and Jamaica continued to achieve generally positive returns for the VM Group by outperforming both prior year and annual target.

In 2024, we officially launched VM Wealth Funds Ltd in Barbados, bolstering our regional presence, expanding our pool of clients by over 1,300 and providing additional investment options to potential clients in Barbados. Year-over-year increases were also realised for our overseas representations in the United Kingdom, United States and Canada, as VMBS onboarded almost 3,000 new accounts, in part thanks to the overseas team's "Bank on the Move" initiative.

Additionally, as we seek to advance the **VM Advantage in Real Estate Wealth Creation**, we established our Real Estate subsidiary designed to effectively manage our portfolio of properties, grew our revenue from our VM Property Services subsidiary and increased the year over year return from our strategic alliance with KPREIT. As Members continue to utilise our VM Money Transfer Services (VMTS) to remit funds to their accounts at VM and elsewhere, their business conducted with us engineered an increase of almost 25% in remittance transactions for the 12 months to December 2024, pushing VMTS's share of the market by 2 points to 9.43%. Our customers also capitalised on the convenience our direct-to-account service provides, and in 2024, the share of customers using this option peaked at almost 40%.



COMMITTED

Management Discussion & Analysis

CONTINUED

COMMITTED TO OUR MEMBERS AND CLIENTS

As stated in VM Group's Mission our "…**purpose is to empower our Members and Clients globally to achieve financial well-being…**" and the strategies we execute each day are not only underpinned by this purpose but also framed by our unwavering **commitment to serve the best interest of our Members and Clients.**

In 2024 we achieved this by:

- delivering innovative financial solutions that are aligned to the needs of our Members and Clients, perform as represented and provide value for money. Our pool of products and services are complemented with a service experience that they have come to expect at every touchpoint.
- assuring our Members and Clients that whether they are at home or on the go, our digital banking solutions deliver flexibility, making it easy for them to connect with us and manage their accounts securely, efficiently and at their convenience.
- demonstrating our commitment to financial literacy which reflects our belief that informed customers are better positioned to achieve sustainable financial well-being.

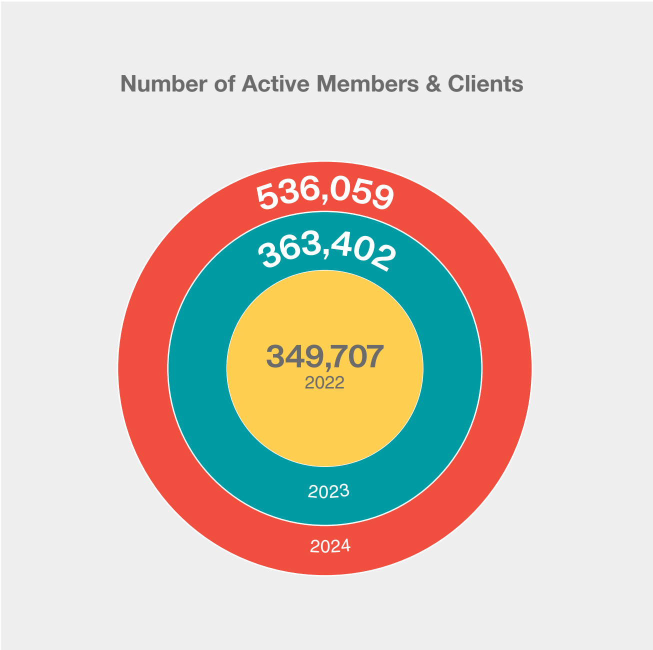
COMMITTED TO PROVIDING NEEDS-BASED FINANCIAL SOLUTIONS

For the 12 months ended December 31, 2024, the VM Group focused on its commitment to deliver financial solutions that work best for our Members and Clients. In pursuit of this objective, we improved our product and service offerings, both in terms of relevance with additional features and range in terms of new additions.

The Group launched six new and enhanced products and services designed to afford our Members and Clients the added convenience of accessing, depositing and transferring funds on their schedule; the ease of conducing their business using our various platforms; and the greater flexibility they need to respond to the demands of life's changing circumstances.

Specifically, as the VM Group continues to encourage Members and Clients to develop healthy savings habits irrespective of income levels, we streamlined our suite of iSave products to create a single inclusive financial product, accessible to everyone, with an affordable minimum monthly saving starting as low as J$1,000 and no maximum. This represents an important complement to the **iSave Long Term 3 & 5-year products** introduced last year and which empowers our Members to accumulate funds purposefully to support their medium to long-term financial goals. In 2024, existing savers with an iSave account were afforded the opportunity benefit from a VM credit card.

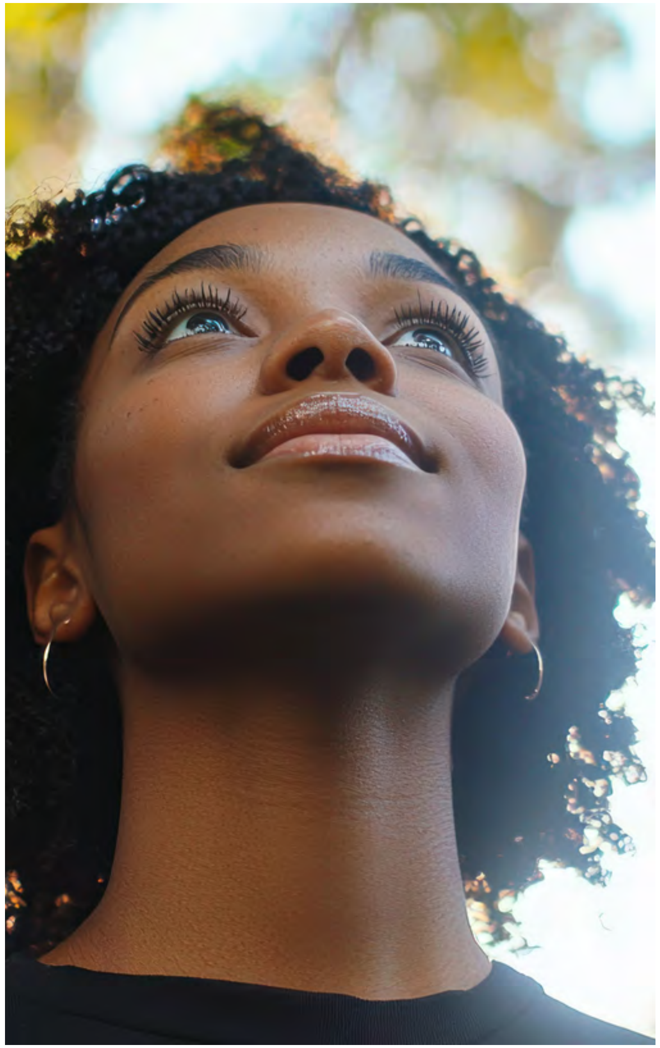
MANAGEMENT DISCUSSION & ANALYSIS



Additionally, as part of our ongoing commitment to customer engagement, the VM Group ramped up its strategic initiative to welcome back Members and Clients whom we have not heard from in a while. This was achieved through thoughtful messaging inviting them back to re-engage with us and to rediscover the benefits of staying connected. This was supported by thoughtful changes to our internal operations that allow for a seamless account reactivation process. This effort not only reinforced our promise to deliver enduring value at every stage of our customer journey, but as communicated by the response of our Members and Clients, it was the right thing to do. This two-pronged programme resulted in the re-engagement of over 100,000 Members and Clients.

The VM Group delivers products that are not only relevant to the needs of our Members and Clients but also fine-tuned to the context in which they are needed. For example, in 2024, we further expanded our Business Services Unit designed to support our business customers and introduced our first business credit card - VM Visa Business Platinum – affording our business customers the additional flexibility of an alternative payment option and with it the capacity to respond to the changing demands of their day-to-day operations.

We also collaborated with Canopy Life Insurance to expand group health and life insurance packages to eligible VMG business customers. For our Members on the south coast who urgently needed to recover and rebuild after the devastation of Hurricane Beryl, we designed a flexible term loan facility that was immediately accessible.



Management Discussion & Analysis

CONTINUED

As a financial Group, we believe that retirement planning is more than a savings goal - it's a mindset rooted in discipline and vision, and as more Jamaicans warm to the habit of planning for this critical life milestone, we are particularly proud that, through our Pensions Management arm, we were able to expand the pool of Jamaicans who can now boast of having a retirement plan.

By partnering with Caribbean Broilers, VM Pensions Management achieved an 86.18% increase in the number of newly onboarded Approved Retirement Scheme (ARS) lives.

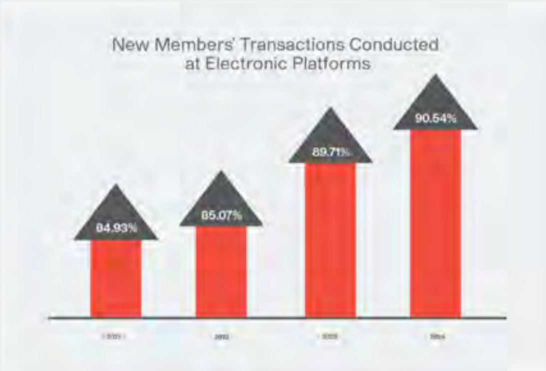
COMMITTED TO LISTENING TO & SERVING OUR MEMBERS AND CLIENTS

Listening to our Members and Clients remains a huge priority for us at the VM Group, so during 2024 we actively encouraged feedback via multiple avenues.

These include our contact-free feedback options such as our “how did we serve you today?” spot checks; quarterly Net Promoter Score (NPS) and customer service surveys; our always-available Member Engagement Centre as well as our Complaints Management Portal which records, monitors, analyses and reports all complaints received across the Group. This capability helps our team to better understand the service areas we are doing well with, and those that need improvement.

We actively seek to resolve all customer complaints received via these and other channels in a way that works for our Members. For the review period, the Team was able to improve its resolution rate relative to 2023, addressing 97% of all complaints received in line with our customers' expectations.

The Group-wide Customer Experience blueprint which was designed in 2024 incorporates feedback from our Members and Clients, guides how we interact with them across all channels including our Member Engagement Centre and ensures that we deliver service and support that is contextual, consistent and efficient, irrespective of where they are in the world. In seeking to improve our customers' experience, we not only listen keenly to them, but we also seek out ways to better understand them using their profiles of personal attributes, behaviour, motivations, and values. This approach assists us in creating needs-based financial solutions. The outcomes of our customer survey represent important temperature checks from our Members and Clients, and while they indicate that we are improving with scores averaging over 80%, we are still committed to doing more.



COMMITTED TO PROVIDING DIGITAL SOLUTIONS

Our customers are the driving force behind everything we do. In 2024, we took meaningful steps along our digital journey to deepen relationships with both individual and business Members and to curate a redesigned digital experience that combines advanced functionality with simplicity. As such, our efforts in 2024 to optimise data analytics, expand our agile capabilities, build digital skills and embed in digital culture were even more deliberate.

In 2024 we successfully:

- launched "Cardless Deposits" which affords Members the flexibility to deposit cash to their accounts, without the use of a physical VMBS debit card.
- expanded our ABM network: - Three new ABMs were added to the network, bringing the total number of VM ABMs to 35. During 2024, our Members and Clients continued to enjoy free transactions at our ABMs islandwide.
- enhanced Wealth Online 'CMS' based on the feedback from our Members and Clients. This re-imagined Client Management System features a refreshed user interface and improved capabilities.
- rolled out Vikki 2.0, our improved AI-enabled chatbot which allows our Members and Clients to engage with us in a more meaningful way, 24/7.
- enhanced Automated Clearing House (ACH): Members now benefit from improvements to our ACH platform, which offers a cost-effective alternative to conduct cross-bank transfers.
- introduced VMWM Loan Edge: This digital solution enhances the management of margin and commercial loans and allows VMWM to deliver a more efficient process and by extension, a superior service experience.

We are therefore quite pleased that our Members and Clients continue to support our efforts, as at the end of 2024, 82.48% of our transacting Members were actively using our digital channels, up from 79% in 2023. We are also happy that 90.54% of transactions conducted by our new Members are done via electronic channels.

COMMITTED TO PROVIDING FINANCIAL EDUCATION BECAUSE WE CARE

The VM commitment to provide financial education to our stakeholders is more than a strategy, it is our purpose. Accordingly, we coupled the financial solutions provided in 2024 with a comprehensive and robust programme of financial education initiatives. We hosted a series of events including seminars, conferences, and town hall meetings, targeting our existing and potential Members and Clients as well the communities we serve both locally and globally.

Additionally, during this review period the VM Group expanded its financial education programmes and initiatives in two important ways.

Management Discussion & Analysis
CONTINUED

We expanded the Financial Education Hub, established in 2023 as a web space that provides information and resources targeting our existing and potential Members and Clients and empowering them to make informed financial decisions and achieve financial well-being. The organised financial space also bolsters the VM commitment to support Jamaica's financial inclusion and literacy programmes across communities.

We expanded and complemented the delivery of our community-based support through the VM Foundation with financial education so that the communities in which we operate and beyond were exposed to information, tools and resources with which to make critical decisions that can positively impact their lives now while building long-term financial confidence and capability. While across the Group a total of 90 such programmes, activities and events were executed in 2024, the VM Foundation specific activities impacted the lives of over 100,000 persons in communities across Jamaica.

VM FETE Youth Ambassador Programme continued to provide valuable financial management strategies to our youth in tertiary institutions across Jamaica while also developing the leadership skills of the third cohort of ambassadors. In 2024 this programme impacted over 4,000 students.

As part of VM's broader mission to connect with Jamaicans abroad and support their financial aspirations, VM Building Society demonstrated its commitment to serve the evolving needs of the Jamaican diaspora through its representatives in New York, Florida, Atlanta, Canada, and the United Kingdom. This series of targeted strategic initiatives included most notably the "Vision 2024: Expo & Discussion on Business Opportunities in Jamaica," hosted in partnership with the Jamaican High Commission in Canada. Held in Toronto and Montreal, the event assembled subsidiaries of the VM Group along with a number of Jamaican public and private sector agencies, and in so doing brought a full suite of on-the-spot services to the Jamaican-Canadian community.

Our "VM on the Move" and "Bank on the Move" initiatives facilitated similar roles of bringing financial education to villages and towns in Jamaica and to community hubs - including restaurants, churches, coffee shops, and local businesses. across North America, the United Kingdom, and Europe respectively.

Of note also were the following digital initiatives:

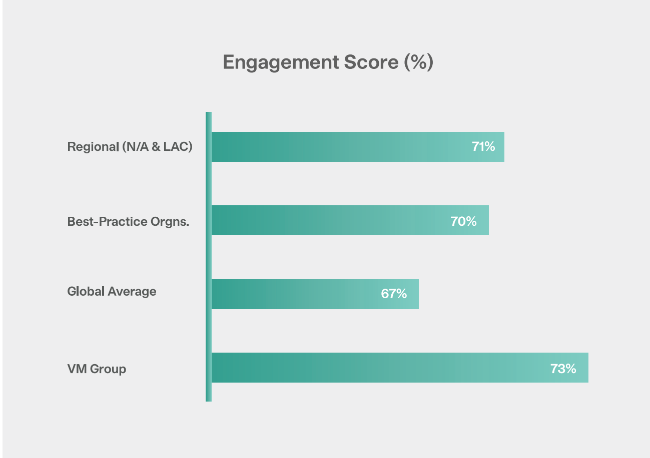
Money Mondayz - A bi-weekly static or moving graphic or video reel with financial education tips posted on social media,

VM Financial Fridayz - Video series hosted by a VM expert highlighting a relevant topic.

VM's Financial Education blogs posted on the VM Group Financial Education Hub, LinkedIn and X, provided valuable financial education content to empower Members to make smarter financial decisions.

COMMITTED TO OUR TEAM MEMBERS

OUR PEOPLE



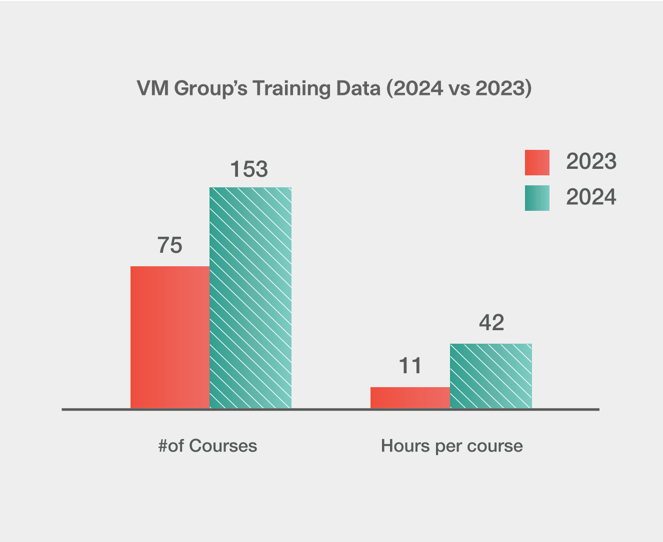
At the VM Group, our people are the cornerstone of our success allowing us to build a strong, robust, and sustainable organisation for today and the years to come. This is guided by our Strategic Goal of Employer of Choice and promulgated through multiple programmes spanning different dimensions: Talent Management, Change Management & Culture of Accountability, Engagement, Wellbeing, & Wellness, as well as Total Rewards. These programmes reflect our acknowledgment that our people underpin the VM Difference that our Members, Clients, and other stakeholders experience.

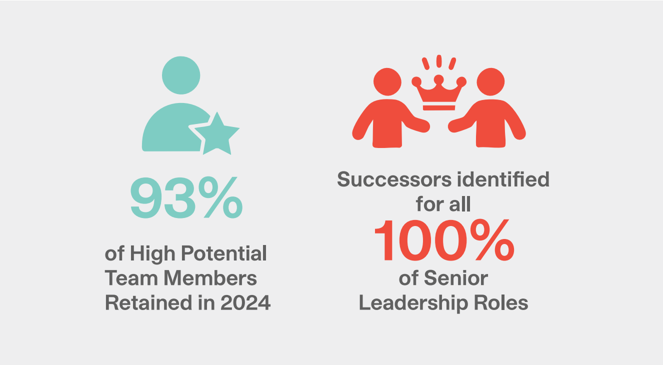
Management Discussion & Analysis

CONTINUED

TALENT MANAGEMENT

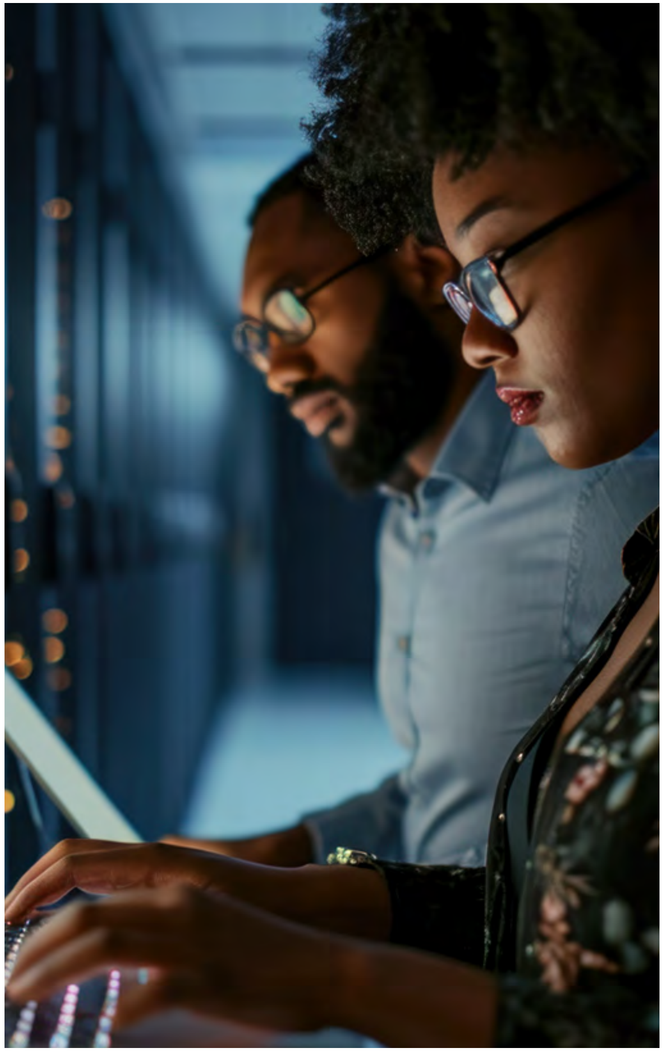
Sustainable organisational excellence is achieved through the selection, development and strategic allocation of the right talent. In 2024, the VM Group focused on further strengthening our talent management initiatives. This required that we remain relevant to meet the talent demands of the VM Group and committed to our mission to ensure that our Team Members continued to serve our Members and Clients as caring experts.





In 2024, our organisation achieved significant milestones in talent management, underscoring our commitment to fostering a culture of excellence and continuous development. Boosted by the launch of the Absorb Learning Management System (LMS), we achieved more than 6,407 training hours across 154 instructor-led and self-paced training courses, significantly above the outcomes for 2023.

The LMS allowed for automatic enrolment in role-specific training programmes; the delivery of consistent and comprehensive cross-functional experiences; fast-tracked our succession plans for leadership; and is planting the seeds for the Junior, Senior Professionals and Executive Development programmes scheduled for roll-out in 2025. During the review period we also promoted 15.8% more Team Members than 2023; identified successors assessed as ready within 1-3 years for all senior leadership roles; and retained 93% of our high potential Team Members.



The comprehensive training programme was supplemented with experience- based learning across the organisation, allowing Team Members, to acquire or sharpen capabilities required to perform current or future roles. This future-proofing of the workforce to which we are committed, also required the building of the bench strength of our second tier leaders; equipping our integrated sales force to deliver on our sales strategy; developing competencies for mission critical and specialised roles; and strengthening our data analytics capabilities, all of which we advanced during 2024.

TEAM MEMBER WELL-BEING, WELLNESS AND ENGAGEMENT

The wellness and total well-being of the Team Member continue to be a priority for the VM Group as our Team Members. Our **Hybrid, Remote and Flexible** Work arrangements for our Team Members, help to support our Team Members in this environment and remained a key part of our progressive Human Resources agenda. This Agenda supports diversity, inclusion and a results-focused culture which is a critical component of our **Employer of Choice** strategic objective. The VM Group continued to embed its Team Member wellbeing into the day-to-day operations of the organisation, with the implementation of an online Employee Wellbeing and Assistance Programme as well as the continuation of physical team and individual activities.

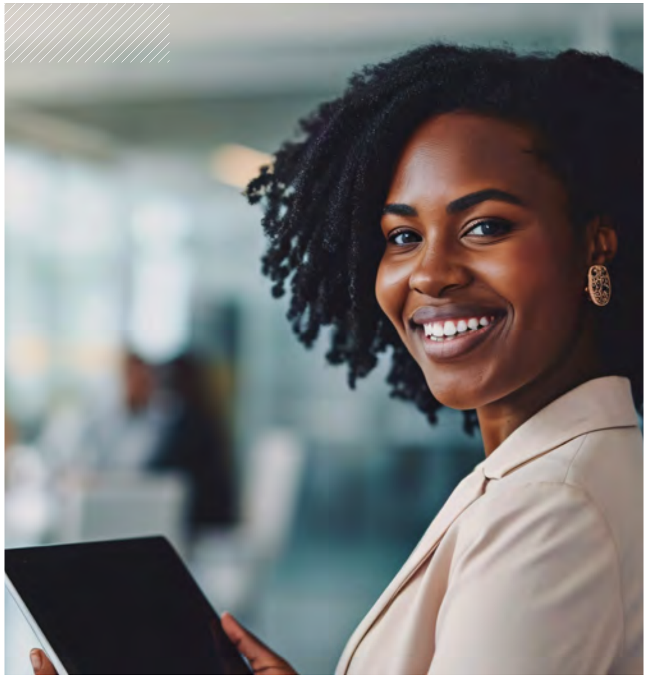
Management Discussion & Analysis
CONTINUED

TOTAL REWARDS

Recognising and celebrating excellence remains central to the VM culture. Our Total Rewards multi-dimensional programme is framed by this culture, recognises the value of the total Team Member experience, and is aligned to the Group's strategic goals. The dimensions of this programme span business results, individual performance, a culture of accountability, as well as Team Members' well-being and development. In 2024 we achieved significant milestones including the record-breaking feat of recognising 94 individual and teams in our annual "I AM VM Awards" programme, almost 50% higher than the previous year. This milestone underscores our commitment to fostering a high-performance environment, driving higher levels of engagement, productivity and hence strong business results. Taken together, these efforts reinforce our commitment to our people and position us to fulfil our **total rewards promise** more effectively now and, in the years ahead.

COMMITTED TO OUR PEOPLE

Aligned with the VM Group's Digital Transformation, is the Group Human Resources digital agenda designed **to provide a digital workplace** that drives **Growth, Innovation & Resilience** while maximising our total Team Member Experience. To this end, in 2023 we strengthened our processes to enhance how our Team Members execute their function through greater operational efficiency, effective management oversight, prudent data compliance, strict information security and to foster the proficient movement of talent across the VM Group. In 2024 we built on the integrated Human Resources Management System (HRplus) implemented in 2023 by successfully launching the HRplus Payroll module. This enhancement has significantly improved the efficiency and accuracy of our compensation processes, ensuring more timely and precise rewards for our Team Members and facilitates a self-serve component which allows Team Members to readily access related information.



COMMITTED TO OUR COMMUNITIES

At the core of our identity is a deep commitment to community and as such we understand that if we are to transform our communities, our efforts must extend beyond the walls of our offices in the surrounding environs. In 2024, we continued, though our VM Foundation, to take deliberate steps to create community partnerships designed to drive lasting change. As the philanthropic arm of the VM Group, the VM Foundation is keen on actively pursuing the goals of the VM Group in the work that it does and integrating Members, Clients and Team Members in its activities.

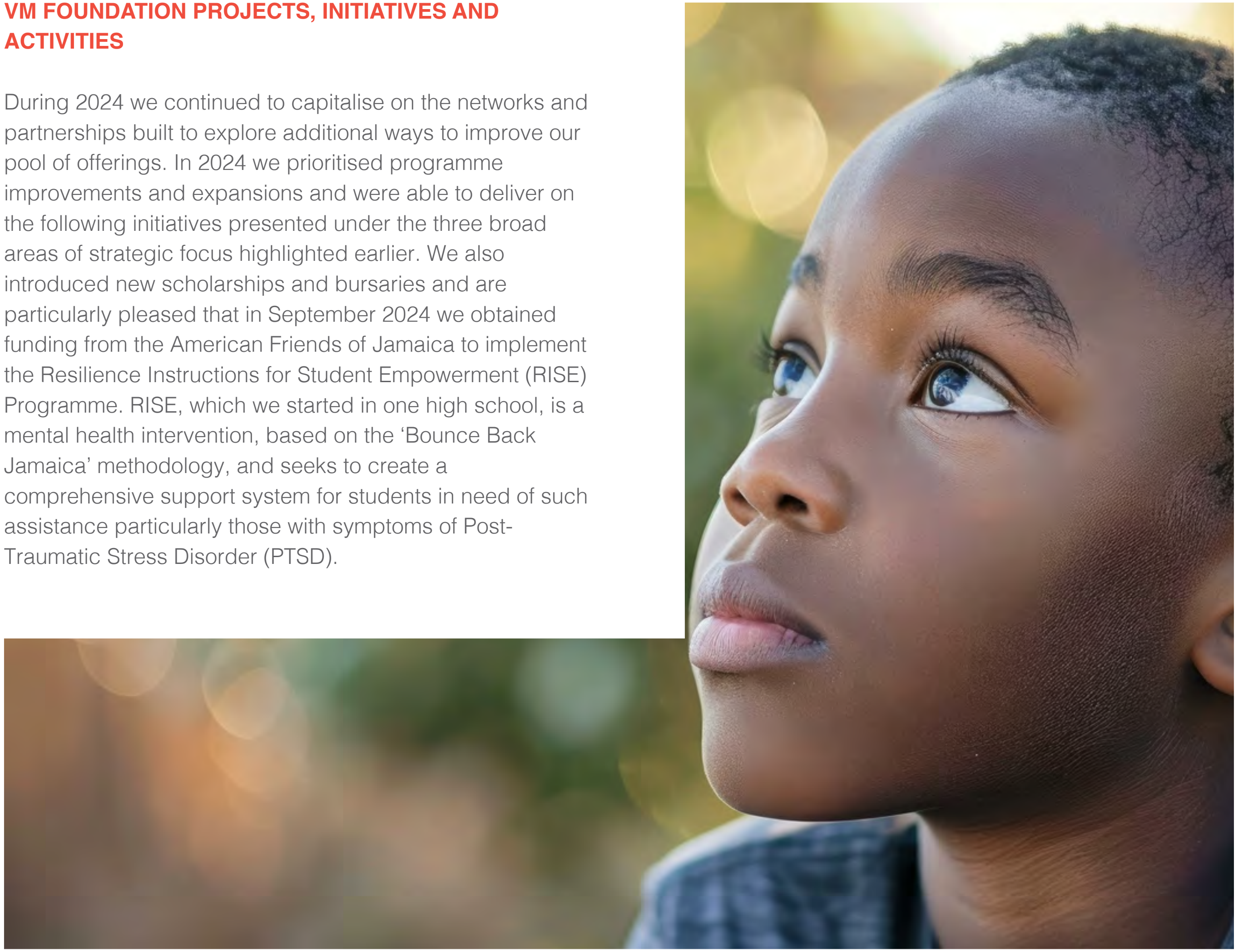
In 2024, the VM Foundation continued to execute its 2023-2027 Strategic Plan, targeting three key broad areas: **Youth Development, Community Development,** and **Parenting,** supporting parents and prospective parents, zeroing in on the unique needs of Jamaica's youth while transforming communities. This plan underscores its commitment to deliver on the VM Group's Strategic Goal of being a **Modern Mutual** while being a **Model Corporate Citizen**. In 2024, the Foundation, across its many initiatives impacted nearly **100,000 lives.**

TEAM MEMBER GENEROSITY AND VOLUNTEERISM

VM Team Members continue to volunteer not just their time and gifts in kind but also made monetary contributions amounting to almost $3 million in 2024. Contributions from our Pensioners were used to introduce a new bursary category: the VM Pensioners' Bursary, awarded to a student starting their final year of university. The VM Foundation continues to exceed targets established for donations and 'lives impacted' and we consider the success reflected by the achievement of these milestones as validation of our work and role as change agents in our communities.

VM FOUNDATION PROJECTS, INITIATIVES AND ACTIVITIES

During 2024 we continued to capitalise on the networks and partnerships built to explore additional ways to improve our pool of offerings. In 2024 we prioritised programme improvements and expansions and were able to deliver on the following initiatives presented under the three broad areas of strategic focus highlighted earlier. We also introduced new scholarships and bursaries and are particularly pleased that in September 2024 we obtained funding from the American Friends of Jamaica to implement the Resilience Instructions for Student Empowerment (RISE) Programme. RISE, which we started in one high school, is a mental health intervention, based on the 'Bounce Back Jamaica' methodology, and seeks to create a comprehensive support system for students in need of such assistance particularly those with symptoms of Post-Traumatic Stress Disorder (PTSD).



Management Discussion & Analysis
CONTINUED

We provide a summary of our Foundation activities undertaken during 2024. More details are outlined in the Environmental, Social and Governance (ESG) segment of this Report.

VM Foundation Projects, Initiatives and Activities - A Summary

VM Foundation: The philianthropic arm of the VM Group in 2024 executed initiatives that are aligned to VM Group's strategic goal of being a Modern Mutual and a Model COrporate Citizen.

Strategic Areas of Focus	Projects Defined	Amount Invested	Lives Impacted
Parenting	**Adopt-A-Clinic:** Provides resources and order support to upgrading the St. Jago Clinic.	$4.00 million	74,555
	Positive Parenting Video Series: The Hosts use real-life experiences to provide parents with practical tools and strategies to foster resilience in children.		
Youth Development	**VM Ignite:** A 9-week course to holistically develop students, bridging gaps in their socialization and regular course of study.	$0.85 million	300
	VM EnRich: Engage high school students in social enterprise and encourages the development of '21st Century Skills'.	$13.94 million	4,754
	VM Uplift: A sustainable, holistic, effective and inclusive programme that fosters youth development through sports.	$5.72 million	406
	VM Scholarships: A Students' Assistant Programme that includes scholarships, bursaries, in-kind donations such as laptops, tablets as well as mentorship and coaching.	$12.00 million	74
Community Development and Other Initiatives	**Other Initiatives and Activities:** Partnership with the National Land Agency, National Leadership Prayer breakfast, Financial Literacy Activities, Small Grants and Donations, Child Resiliency Jamaica Library Service Reading Competition.	$4.56 million	25,341

At VM we are COMMITTED to uplifting the communities in which we operate.

Our Business Lines

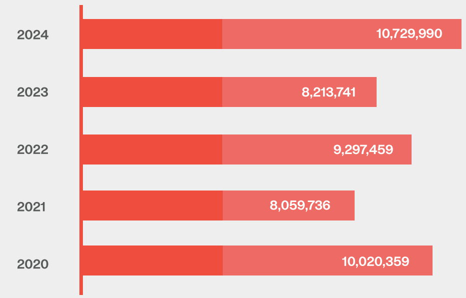
The business of the VM Group is organised to deliver financial solutions to our Members and Clients at all stages of their lives. The financial services we provide are organised accordingly. In this segment of the Management Discussion and Analysis, we share the performance of these business lines during 2024, reported under the umbrella of the respective subsidiaries: VM Building Society (VMBS), VM Finance Limited (VMF), VM Investments Limited (VMIL), VM Money Transfer Services (VMTS), VM Pensions Management (VMPM), VM Property Services, and VM Innovation (VMI).

VM BUILDING SOCIETY

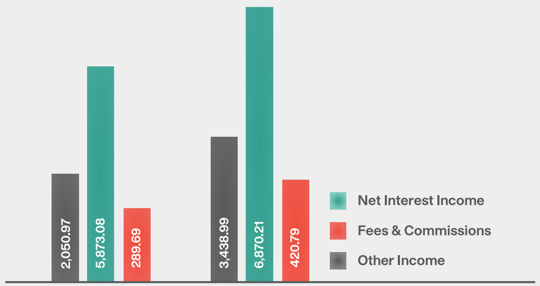
The VM Group's proprietary building society - VM Building Society's strategies executed in 2023 were underpinned by our Commitment to empowering our Members globally to achieve financial wellbeing by providing them with innovative financial solutions and an unmatched service experience. This approach to support our Members is steeped in Mutuality, embracing and reinforcing the vision of our Founders. Today, VMBS has significantly expanded its pool of product and service offerings beyond mortgages as we ensure that the needs of our Members are met. In 2024 we reinforced our commitment to deepening relationships, expanding key business lines, and enhancing our digital and electronic solutions.

PERFORMANCE HIGHLIGHTS FROM 2024

Operating Revenue Growth ($'000)



Distribution of Operating Revenue ($'M) (2024 vs 2023)

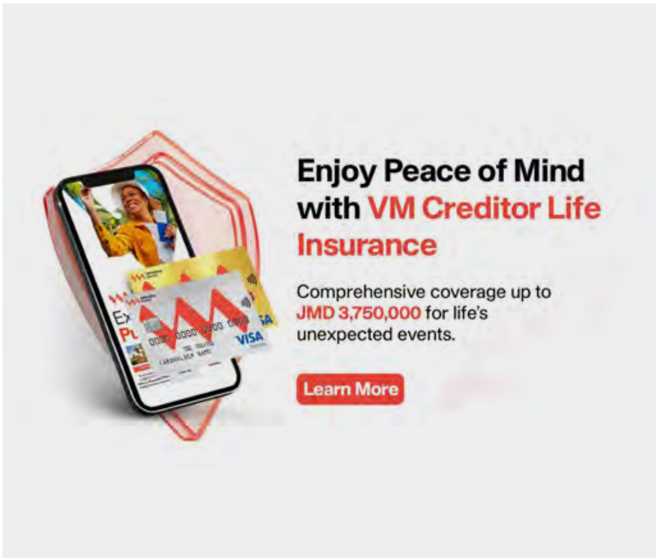


In 2024, our efforts to grow revenue and effectively manage our costs resulted in a 10.25%-point improvement in our cost to income ratio. We continue to invest in our physical locations, electronic channels and related technology so that our Members who wish to interact with us face-to-face can do so in a modern and pleasant environment; while ensuring that our electronic channels are easily accessible and convenient for our Members who prefer those touchpoints. As a result of these investments, our depreciation and amortisation costs increased by 15.7% relative to 2023.

OUR BUSINESS LINES

At the centre of our deposit-growth strategy, is the continued focus on relationship management at both the retail and corporate levels, ensuring that the needs of our Members are met at all life and/or business stages, as well as providing them with the tools required to grow and manage their wealth en route to financial wellbeing and/or building sustainable businesses. The suite of products and services available to our Members includes special savings products such as our flagship product iSave, a product grouping which was streamlined in 2024 to broaden the pool of Members who can access and leverage this product to grow financially, with two long term **iSave** additions geared towards homeownership.

The VM Team is extremely pleased that for the financial year 2024, our Members continued to entrust to us their savings funds, and the VM Building Society Team remains **committed to honouring this trust every day.** This is evident in the almost $10 billion growth in Members' savings which allowed us to solidify our position in the market. Our Members also reinforced this trust by coming to us to finance their homes and other important acquisitions. In 2024 we disbursed total loans of $14.81 billion, most of which (63%) were used by our Members to finance their homes and business operations and growth. This helped to push the loan portfolio by $13.84 billion to $123.68 billion in 2024 relative to 2023 and here, too, VMBS retained its position in the market.



Additionally, in 2024, we expanded our suite of credit cards to include our Business Credit Card. This card was offered to our business customers along with the Visa Spend Clarity Platform which provides businesses with a suite of solutions to help them control spending, maximise visibility, and optimise cash flow. Our individual Members and Clients began enjoying the added card benefits of creditor life insurance. Our credit card portfolio performed well in 2024 with double-digit increases in number of cards issued, revenue generated and card usage.

Our Business Lines

CONTINUED

Additionally, despite our strong loan growth, we are particularly pleased with the overall quality of the loan portfolio, which is attributable to the prudent credit risk management built into our Adjudication and Arrears management processes.

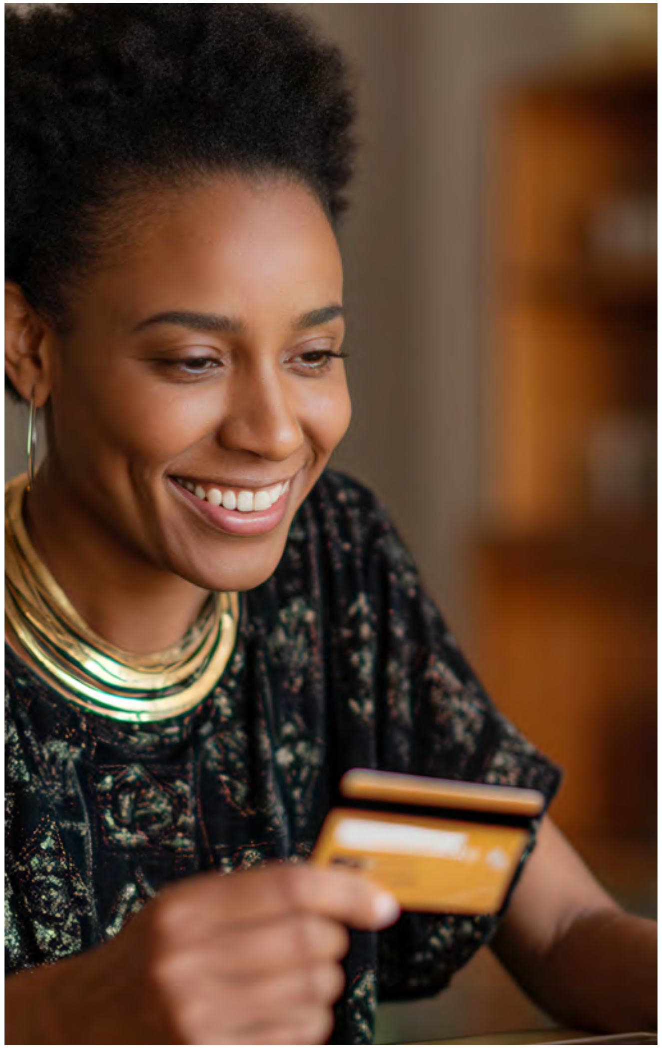
We continue to build on the gains we have made during the year and honour our Members' loyalty as we seek to better understand their financial needs as well as provide additional opportunities to hear from them and respond in a timely manner to their feedback. For example, in the wake of Hurricane Beryl in July 2024, VMBS responded with the launch of the VM Disaster Recovery Loan, reinforcing our commitment to financial resilience and community support. This initiative was designed to provide fast and flexible financing to individuals affected by natural disasters, ensuring they have the resources to rebuild and recover.

We continue to invest in the growth and development of our people. In 2024, through our Talent Management Programme, 26 Team Members participated in cross-training opportunities, enabling experiential learning aligned with their Individual Development Plans. Additionally, 33 Team Members were promoted, pointing to our focus on reward and recognition and excellence.

Other initiatives implemented in 2024 include:

VMBS' KEY INITIATIVES EXECUTED IN 2024

- Introduced six new products Including enhanced iSave savings products and credit card products.
- Expanded fleet of ABMs to 35 with the addition of 3 new units and completion of phase one of the iABM network monitoring system to allow for fast resolution of availability challenges.
- Introduced "Cardless Deposit" allowing customers the flexibility to deposit cash to their accounts without using a physical VMBS debit card.
- Increased electronic transaction migration rate from 85.7% in 2023 to 87.5% in 2024. Achieved an 18% increase in the monthly average registrations on the Online Banking Platform and a 13% growth in total online transaction activities compared to 2023.



VM BUILDING SOCIETY'S PLANS FOR 2025

As we look ahead to 2025, VMBS is committed to its Mission of supporting our Members on their journey to achieving financial wellbeing. Accordingly, our focus remains on expanding and enhancing our pool of products such as our suite of credit cards to include affordable options for new-to-credit Members; delivering excellent service experiences; improving operational efficiency through technology upgrades, streamlining processes at all touch points, and introducing a Group-wide onboarding solution. We will continue to expand and enhance our online options and introduce new digital solutions so that our Members can continue to enjoy the ease and convenience they have come to expect as well as faster service and real time transaction processing.

We will continue to listen and respond to our Members by providing additional opportunities and avenues for them to engage with us and offer feedback on how we serve them at all our touchpoints, as well as the changes they wish to see in the range of financial solutions and the content of the financial education we provide. We look forward to the next 12 months. We remain committed to our Members, our Team Members and our Communities.

VM FINANCE (VMF)

VM Finance Limited (VMF) is the United Kingdom-based subsidiary of the VM Financial Group. This business provides secured property financing to experienced property professionals under its Specialised Lending Programme. Additionally, as authorised by the Financial Conduct Authority, VMF acts as a mortgage intermediary that advises and arranges residential mortgage contracts for individuals wishing to purchase homes in the United Kingdom.

In 2024, the property finance market in the United Kingdom faced ongoing challenges due to the sustained high-interest rate climate, construction cost inflation, and increased regulations. However, in the second half of the year, the Bank of England introduced 0.25% cuts to the base rate (August and November) which appeared to simulate house price growth which stood at 3.3% for the 12-month period to 31 December 2024.

The 12 months to December 31, 2024, was a period of significant financial achievement, as VMF continued its journey of improved performance as evidenced by the 34.98% and 19.27% increases in Operating Revenue, and Loans Disbursed respectively. For the first time in the company's history, Net Profit dipped but just marginally by 0.25%. Of note is the fact that since the start of this company, VMF has advanced more than £200 million with average loan sizes of £1.5 million. Disbursements in 2024 totalled £31.17 million (J$6.02 billion).

Pushed by the additional external funding secured from NatWest Bank in the previous year, the rapid, yet sustainable growth of the loan book which continued in 2024 is underpinned by a robust corporate governance, effective risk management, and compliance framework. The team expects this growth to continue as they capitalise on the significant potential for future growth of the business within its traditional market of Greater London as well as targeting new regional markets in the United Kingdom.

Our Business Lines

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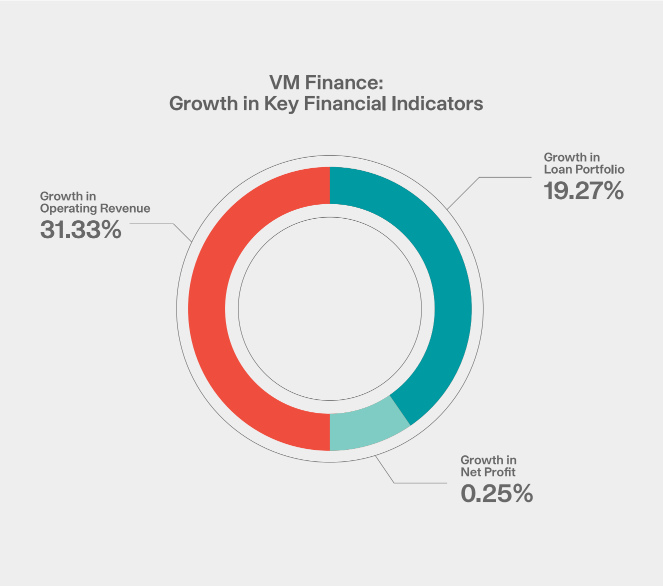


The VMF team grew the loan portfolio by understanding the needs of their Clients and meeting those needs through effective relationship management. It is not surprising therefore that the company enjoys customer satisfaction score that averages almost 95% and an above average loyalty score of 63%. VMF believes that the delivery of unparalleled customer experience by a talented and caring team is the key to customer loyalty - a loyalty which they do not take for granted.

Investment in human capital remains a cornerstone of the company's strategy. To this end, employees benefited from a range of tailored training programmes and career development initiatives. VMF works hard to identify, develop and retain its team of professionals, without whom the quality of services would be compromised, and as such, investing in our people remains a top priority for VM Finance. Team members continued to benefit from tailored training programmes in 2024 along with other initiatives focused on career development and progression.

VMF also believes in supporting the communities in which it operates as well as the local communities in Jamaica. In 2024 VMF continued to partner with the VM Foundation to deliver on community and people-building activities.

In many ways, 2024 was a foundation year for VMF - a year in which a critical shift in business model occurred. This has laid the foundation for the strategies to be executed in 2025.

OUR BUSINESS LINES

VM INVESTMENTS (VMIL)

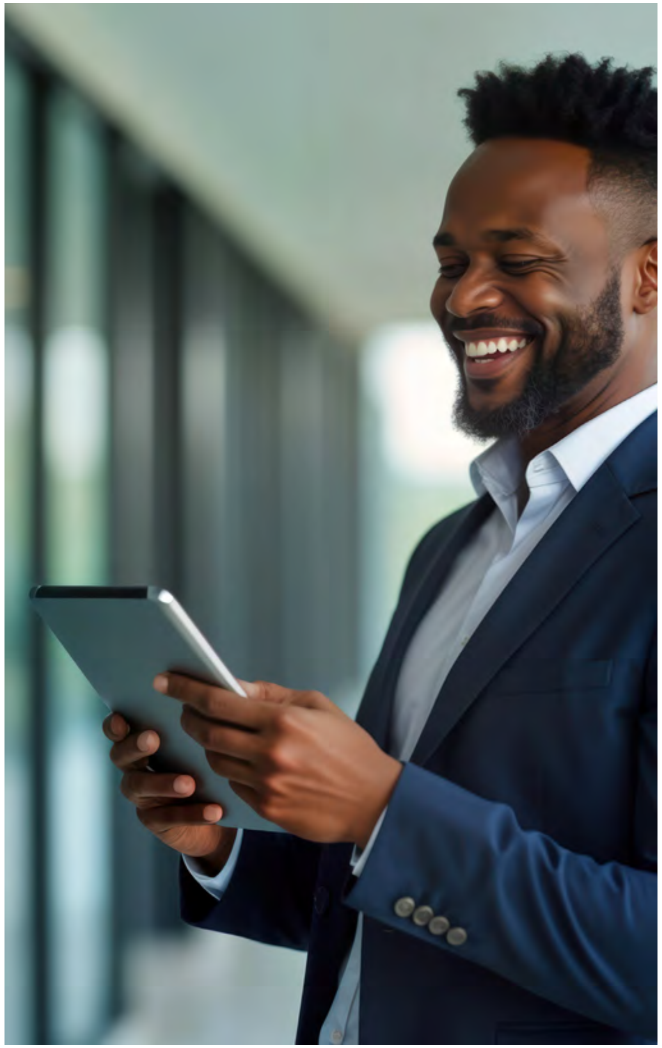
VM Investments Limited (VMIL), the VM Group's only publicly traded entity, along with its subsidiary, VM Wealth Management Limited (VMWM) operated in a financial landscape that, in 2024 was juxtaposed against a dynamic macroeconomic environment.

During 2024, VMIL's diversified portfolio and regional expansion strategy positioned it to navigate both the economic headwinds and tailwinds, market volatility and related risks, as well as intense competition while capitalising on emerging opportunities in the financial services industry such as growth trends in private equity, real estate, and trade financing.
VMIL executed a deliberate strategy that delivered results that are significantly better than the previous year's and achieved a number of milestones that positively impact the lives of our Clients and the communities we serve. Among VMIL's achievements in 2024 was the official launch of the VM Wealth Barbados office, enabling VMIL to grow its regional footprint, diversify its Client base, and increase assets under management.

Additionally, strategic exits and re-investments, such as the Carilend divestment and SME-focused fund commitments, allowed VMIL to respond in an agile way to shifts in investor appetite and capital market conditions. The reaffirmation of investment-grade credit ratings by CariCRIS reinforced investor confidence in VMIL's financial strength and governance practices.

VMIL'S 2024 MILESTONES

- Launched VM Wealth Barbados VM Wealth Management officially launched in Barbados, expanding its client base by 1,300.
- Supported clients in major transactions closed 6 capital market raises, refinanced US $10 million in bond maturities, and executed a client trade valued at over $11 billion in local equity.
- Upgraded the Client Management System and integrated the Loan Edge digital solution. focused on digital adoption, increasing usage of the VM Wealth Client Portal from 31% to 50%.
- The company earned the recertification of NEPA's Green Business Jamaica, affirming dedication to environmental responsibility.
- Achieved an "A" rating in the JSE's Corporate Governance Index and earned three awards at the 2024 JSE Best Practices Awards, including top recognition in Investor Relations & Stockbrokering.



Our Business Lines

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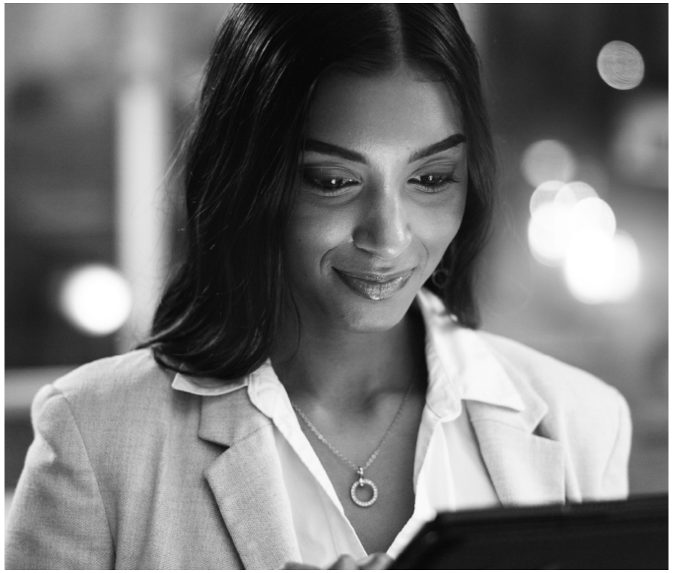
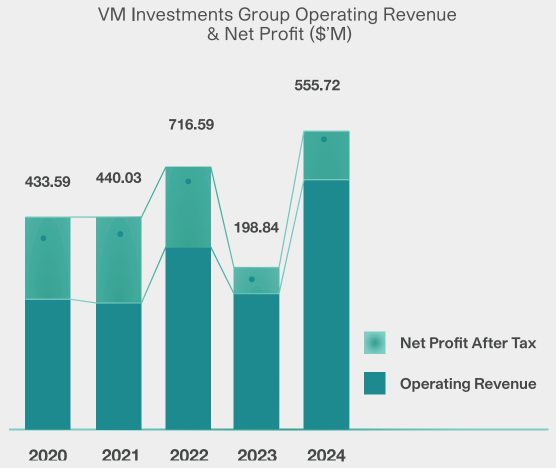
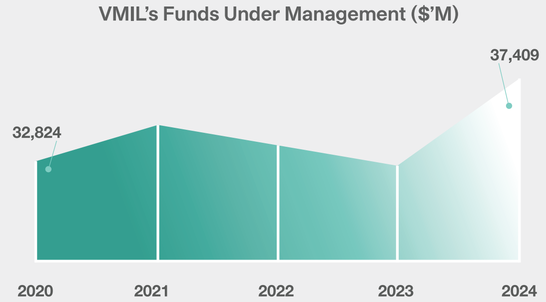
VMIL's commitment to continuous improvement in Client Experience drives our efforts to provide a best-in-class service for our clients. To this end, in 2024 we focused on providing our Clients with improved access and convenience through automation of our processes, expansion of our online services and broadening the delivery of financial education through a number of activities. To improve the ease and convenience with which our Clients access their accounts, conduct transactions and engage with us, we upgraded the Client Management System, integrating the Loan Edge digital solution. A focused push on digital adoption led to increased usage of the VM Wealth Client Portal from 31% to 50%.







VMIL delivered a strong financial performance with significant improvements in revenue growth, profitability, and assets under management relative to 2023. In 2024 operating revenue, Net Profit and Funds Under Management increased by 40.42% to $2.64 million, 179.48% to $555.72 million and 12.80% to $37.41 billion respectively.

VMIL's financial performance is evidence of the company's strategic focus and reflects the benefits of prior year's investment and cost management strategies. This performance also points to robust investment valuations, increased fee and commission income, and enhanced operational efficiencies. Additionally, efficiency as represented by the cost to income ratio improved 9% points while the Capital Adequacy ratio closed the period at 22.69%, well in excess of the regulatory requirement of 10%.

VMIL's growth in 2024 was supported by strong investment in its people. Team members were encouraged and supported to achieve professional milestones, including successful completions of CFA examinations. Organisational development included strategic restructuring and role creation aligned with business goals, and the focus remains on building and retaining a culture of accountability and excellence.

The Modern Movers engagement committee helped foster a vibrant workplace culture, promoting inclusion and innovation. Internal communications and awareness initiatives, including weekly best practice tips, helped ensure alignment with the company's core values and cultural beliefs and performance standards.

OUR BUSINESS LINES

VMIL continued to make great strides in formalising, activating and building out our Corporate Social Responsibility (CSR) and Environmental, Social and Governance (ESG) frameworks with several activities during the year, all of which demonstrate a strong commitment to sustainability and social impact, These include “Read Across Jamaica” Day with the Jamaica Library Service, the partnership with the PSOJ and VM Pensions Management to redevelop the PSOJ headquarters into a sustainable commercial hub, as well as ongoing environmental partnerships with the Jamaica Forestry Department for a hillside reforestation and tree planting in schools projects, combining youth empowerment with ecological preservation.

Looking ahead to 2025, VMIL will focus on strengthening its risk management framework, enhance strategic focus on our Asset Management Platform, and accelerate our digital transformation. We will continue to invest in our people and technology which will enhance operational efficiency and Client experience. We will continue our regional expansion and SME-focused investment strategies as an aggressive growth posture remains an integral part of this company’s long-term vision.

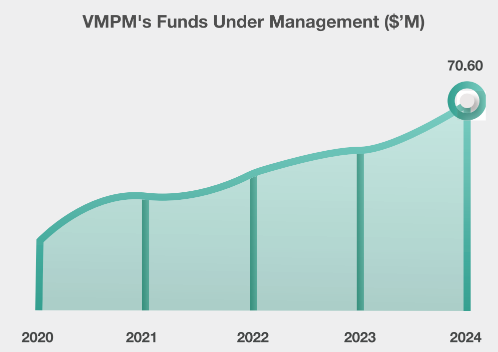
Our Business Lines

CONTINUED

VM PENSIONS MANAGEMENT

VM Pensions Management (VMPM) offers the full range of pension services, namely Pension Investment Management, Pension Administration, Member Education, Pensions Consultancy as well as an Approved Retirement Scheme. In line with the VM Group's commitment to transform the lives of its Members and Clients, the VMPM team delivered value to its Clients through a holistic approach to pensions, while maximising Clients' investment returns. This posture and the related achievements in 2023 laid the foundation for this company's strong financial and non-financial performance in 2024. This, while navigating an environment characterised by mixed economic performances and intense competition. VMPM's deliberate and strategic moves to expand pension coverage and ensure financial security for our Clients were on full display in 2024.

As at December 31, 2024, the total value of assets invested in the Jamaican private pensions industry was $810.97 billion, a year-over-year increase of 8.86%. Total pension coverage decreased slightly– - from 11.79% to 11.63% over the same period. Active plan membership rose to 165,008, up 5.83% from December 2023, and was almost evenly split between superannuation fund members and retirement scheme members, 48.74% and 51.26% respectively. Additionally, superannuation fund membership grew at a rate 4.34 percentage points higher than retirement schemes, indicating stronger momentum in this segment of the market. Notwithstanding the overall improvement in industry performance, the Group's Pensions Management arm outperformed the industry across these key metrics, resulting in an increased share of the market.



VMPM: 2024 HIGHLIGHTS

Strong Financial Performance

- Over 260% increase in Net Profit relative to 2023
- Almost 12.4% increase in Assets under Management
- 30% growth in Revenue

Business Growth

- Continued to optimise the partnership with the JMEA to provide financial solutions to its members
- Expanded the Prime Corporate ARS Initiative
- Established partnership with the Jamaica Chamber of Commerce (JCC)

Outlook for 2025:

Continued Growth; Accounting Software Upgrade and Upgrade of Pension Payroll System.

PERFORMANCE HIGHLIGHTS FROM 2024

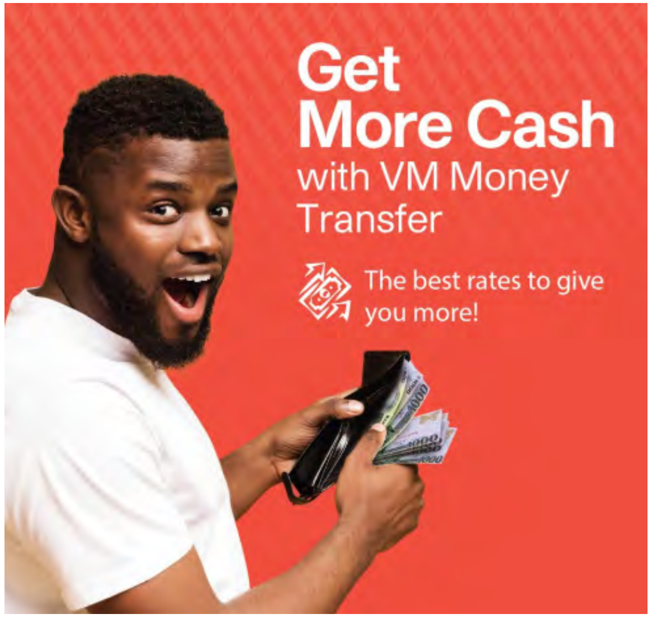
VMPM is shaped by an engaged and committed team and as such employed tools to recruit, train, develop and retain talent, as well as build successors and transformational leaders while embedding a culture of accountability and excellence. It is not surprising therefore that during 2024, employee engagement levels remained high as reflected by the 2024 average engagement score of 78%, well above global averages.

Corporate Social Responsibility is an important part of our value proposition as we transform the lives of the communities in which we operate. In 2024, in collaboration with the VM Foundation, we delivered on several CSR activities and initiatives including the "Read Across Jamaica" Project, repainting of the Harbour View Mini Stadium, contributed to the Salvation Army, and assisted University of Technology students who were displaced by a fire.

Our goal for 2025 is to create a seamless, transparent, and empowering experience that enables each member to achieve financial security and peace of mind, as we continue to build on the strong foundation of trust that defines our organisation. Accordingly, we will focus on enhancing operational efficiency and improving client experiences.

VMPM recognises the importance of digitalisation and sustainability in delivering superior member experiences and as such we aim to optimise the use of the Aurora Portal, which serves as a critical tool for relationship management as we leverage it to strengthen our connections with Clients and foster greater engagement. This is part of our path to enhance customer satisfaction, growth and efficiency.

VM MONEY TRANSFER SERVICES (VMTS)



VM Money Transfer Services Limited (VMTS) operates in an industry where mixed economic environments in our primary source markets resulted in marginal increase in remittance flows in 2024 relative to 2023. The local industry is also facing digital disruption which has intensified competition in an already competitive space. Despite this, the business advanced its objective of being a key player in the remittance industry by increasing its collaboration with global and local partners, while providing greater ease, convenience, and flexibility for customers.

VMTS facilitated the inbound and outbound transfer of customers' funds via a number of physical and electronic touchpoints including via direct deposit to an operating account. Accordingly, driven by increased transaction volume VMTS closed the 2024 review period with improved market share of almost 9.5% relative to 2023.

During 2024, VMTS continued its focus on improving the customer experience and as such it expanded access to the Direct to Account service with tablets in all Money Express locations. The flexibility afforded by this option is particularly important in today's environment and an increasing number of Customers continued to use this alternative with the number of Direct-to-Bank transactions increasing to 34.13% of all transactions. Additionally, VMTS launched a new email platform to streamline the management of email and provided another avenue to engage with the customers. It is not surprising therefore that in 2024 VMTS' customer loyalty score remained relatively high and outperformed its internal benchmarks.

In 2024, VMTS remained committed to its Team Members and its communities. Accordingly, Team Members were engaged in cross-training in various business areas, structured Talent Management training as well as mentorship and coaching programmes while embedding a culture that emphasizes excellence and acknowledges and values reward and recognition. At VMTS, we credit our success to the support we receive from the communities we serve.

Our Business Lines

CONTINUED

In 2024, we expanded our philanthropic efforts, including revitalising the Harbour View Mini Stadium and facilitated the VM Foundation's "Give a change, Make a change" initiative in all our locations.

Looking ahead to 2025, VMTS will remain Committed to our Customers, Team Members and Communities in which we operate while pursuing aggressive business growth by broadening the options and avenues available to our customers to conduct business and engage with us. VMTS remains focused on implementing new software to enhance operational efficiency, increasing transaction volumes across physical and digital platforms, and expanding direct-to-account transactions. With the planned strategic initiatives, VMTS is well-positioned to continue our business growth, driving value for customers, engaging Team Members and supporting communities while reinforcing leadership in Jamaica's remittance industry.

VMTS: Highlights for 2024

Business Growth

- Market share of remittance transactions increased to 9.43%
- Strong growth in remittance transactions relative to 2023
- Expanded the use of electronic tools at all locations

Increased Access

- Consistent growth in direct-to-account transactions, resulting in 34% transaction migration rate in 2024
- Expanded its network of partners which supported the increased transactions that occurred in 2023 relative to 2023

Improved Efficiency

- Introduced new email platform to streamline the management of emails, making it easier to engage with customers
- All Money Express locations are equipped with tablets, enabling customers to interact more effectively

VM PROPERTY SERVICES (VMPS)

VM Property Services Ltd. (VMPS) continues to be a significant player in Jamaica's real estate and property services markets. The business has expended much effort to grow and build awareness about its primary focus areas – property management, real estate sales and property valuations.

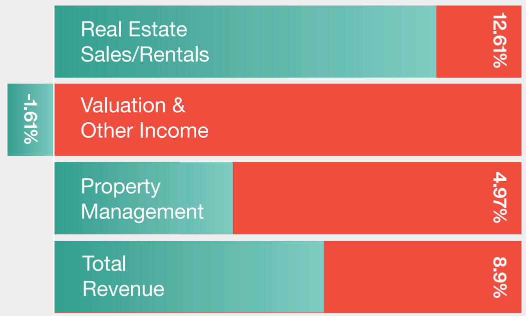
Accordingly, despite the intense competition which is a feature of the property services industry as well its vulnerability to economic headwinds, VMPS in 2024 grew all business lines except for property valuations which inched down marginally. Further, the growth in total revenue from all business lines improved by almost 40% relative to the absolute growth registered in 2023. Real Estate sales continue to be the strongest growth performer bolstered by an augmented sales team as well as the increased awareness garnered from active and frequent participation in events such as the International Real Estate Conference held in March 2024, the Diaspora Tour to Toronto and Montreal, Canada, and other activities, as well as enhanced branding at physical locations and a stronger, more distinct social media presence.

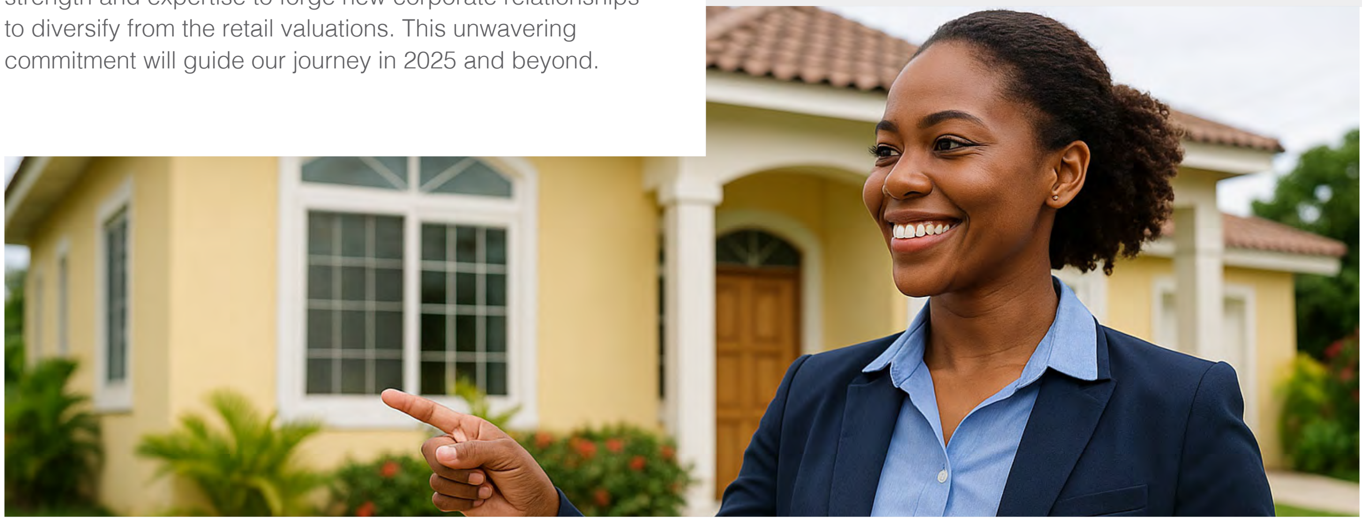
Throughout the year, the team focused not only on revenue generating activities but continued the VM tradition of supporting Jamaicans through volunteerism, financial literacy programmes and CSR activities. The VMPS team supported community activities such as the Real Estate Association's blood drive in May 2024 and the Salvation Army's 'The Nest' children's home. We joined other VM teams in the refurbishing of the Harbour View Football Club. Additionally, in 2024, VMPS continued its tradition of facilitating trainees from the HEART/NTA.

In 2025, VMPS will remain Committed to Transforming Lives by delivering value-added solutions both to our internal and external clients, improving their service experience through increased engagement and soliciting feedback. We are committed to talent development and retention while building a culture of excellence and actively supporting the communities in which we operate.

Further, for the upcoming year, VMPS is committed to building on the gains of 2024 as we seek to expand our Property Management business to increase our square footage under management. We will capitalise on bench strength and expertise to forge new corporate relationships to diversify from the retail valuations. This unwavering commitment will guide our journey in 2025 and beyond.

Growth in Revenue by Major Business Lines (2024 vs 2023)





Our Business Lines
CONTINUED

VM INNOVATIONS (VMI)

Formally up and running in July 2021, the VM Group's Fintech subsidiary – VM Innovations Limited, was mandated to identify additional opportunities to grow and diversify our revenue streams by creating new business models and to collaborate closely with the VM Group's business lines, to advance their digital transformation projects. VM Innovations operates in a dynamic environment shaped by rapid technological advancement. The adoption of emerging technologies such as artificial intelligence and data analytics continue to influence product development path.

The main initiatives launched or enhanced in 2024 demonstrate our commitment to Members and Clients by leveraging technology to enhance Client interactions, process transactions efficiently, respond to feedback promptly and resolve issues swiftly. The effective execution of these initiatives drove revenue to its highest level - $105 million - since the launch of the company in 2021.

The importance of continuous learning and keeping abreast of emerging technologies is critical to the success of this company. During 2024, VMI invested in the use of online learning platforms and courses tailored to the projects and initiatives in the pipeline to facilitate knowledge and skill development, and valuable hand-holding for the team. As experts in this area, the VMI team also enabled knowledge sharing sessions allowing for open discussion of ideas and insights relating to emerging technologies and spin-offs in their space as well as opportunities and challenges for the various business lines of the VM Group. VMI's commitment to support the communities in which we serve continued in 2024 with all our Team Members supporting the CSR programmes of the VM Foundation with cash donations and in kind.

In 2025, VMI will, in addition to delivering on our commitment to customers, Team Members and communities, focus on forging partnerships with external entities to diversify and grow the company's revenue base while continuing to work with the VM Group on digital initiatives and projects. Executing the strategy to achieve this high priority objective mandates that VMI aggressively compete in the local and regional ICT Consultancy and Fintech markets.

VMI'S 2024 HIGHLIGHTS

Account Validation

- Marks a technological leap in how client transactions are processed.
- Enhances transaction speed and efficiency by reducing delays through accurate verification of applicant details before payments are processed.

VM Money Transfer VLink Centre

- Enhanced VLink to process and pay out the Reverse Tax Credit on behalf of the Government of Jamaica.
- 18,841 transactions processed, valued at $377M, up to February 2025.

Significant Increase in Revenue

- Revenue generated by VMI in 2024 was four times higher than that of 2023.

Upgraded "Vikki," VM's Chatbot

- Enhanced AI-enabled chatbot to allow more meaningful 24/7 digital engagement for members.

Pictorial Highlights

▲ Members of the the VM Team participate in a panel discussion at the 2024 edition of the annual VM Group Business Conference. (From left) Dr Marcia Reid-Grant, Senior Manager, Group Strategy; Peter Reid, Deputy CEO; Maurice Barnes, CEO, VM Innovations; Devon Barrett, Group Chief Investment Officer; Allison Morgan, CEO, VM Property Services; and Bernadette Barrow, consultant.

▲ VM Group's 2023 President's Awardee, Jody-Ann Smikle (right), receives her award from VM Group President and CEO, Courtney Campbell, at the I AM VM Awards Ceremony at AC Marriott Hotel on Saturday, April 27, 2024.

▲ Courtney Campbell, VM Group President and CEO (foreground), leads painting activities with (from left) Dr. Dayton Robinson, VM Group Chief Human Resources Officer; Judith Forth-Blake, VM Group Chief Customer and Brand Officer and Clyde Jureidini, General Manager of the Harbour View Football Club, in Labour Day activities at the Harbour View Football Stadium on May 23, 2024. Over 60 volunteers from the VM Group turned up to carry out refurbishing works at the stadium as part of the Group's Labour Day 2024 project.

▲ Group President and CEO, Courtney Campbell, engages with market vendors in Kellits, Clarendon, during the first VM on the Move event held on November 9, 2024.

▲ Michael McMorris (centre), Chairman of the VM Group, addresses attendees at the first Annual General Meeting of VM Group Limited, at the AC Marriott Hotel on July 30, 2024. Looking on is Courtney Campbell (right), Group President and CEO, and Keri-Gaye Brown (left), Group Chief Legal, Risk and Compliance Officer.

▲ Courtney Campbell, VM Group President and CEO, and Chairman of the Preparatory Committee of the 10th Biennial Jamaica Diaspora Conference, addresses the audience during the event's official opening ceremony on June 18, 2024. Sharing in the occasion is Jamaica's Prime Minister, Andrew Holness (centre), and Opposition Leader, Mark Golding (right).

Pictorial Highlights

CONTINUED

▲ (From left, seated) Natalie Bennett, CEO, VM Pensions Management; Phillip Ramson, President, Jamaica Chamber of Commerce (JCC); Courtney Campbell, Group President & CEO, VM Group Limited; and Larry Watson, CEO, JCC, officially sign a memorandum of understanding to solidify a partnership between VM Pensions Management Ltd and the Jamaica Chamber of Commerce for the provision of pension and other financial solutions from across the VM Group to the employees of the JCC membership, at a ceremony on August 13, 2024 at the JCC's offices. Looking on (from left, standing) are Jonathan Swire, 4th Vice President, JCC; Martha Miller, 3rd Vice President; and Paul Anderson, Assistant Manager, Sales, VM Pensions.

▲ VM Wealth Management Team Members joined University of the West Indies and Taylor Hall representatives to cut a cake symbolising the launch of the VM Wealth Investment Clubs in Schools Programme at Taylor Hall, UWI Mona on September 5, 2024.

▲ Members of the VM Leadership Team from Jamaica and the Overseas Representative Offices pose for a photo opportunity while in Canada during the Vision 2024 Expo and Discussion on Business Opportunities in Jamaica event. Several events were hosted in Toronto and Montreal between July 15 – 19, 2024, in partnership with the Jamaican High Commission of Ottawa and the Consulate General of Jamaica, Toronto.

▲ Michael Howard (right), CEO of VM Money Transfer Services Limited, signs the official partnership agreement, while Yogi Yoganathan, CEO and Co-Founder of Remitbee, looks on. The signing took place at the VM Money Express Montego Bay office on Friday, January 12, 2024.

▲ Samantha Charles (2nd right), CEO of the VM Foundation; Nickoy Young (right), Manager of the Land Administration and Management Division at the NLA; and Georgette Stewart-Harrisingh (2nd left), Senior Director of the Land Administration and Management Division at the NLA, in dialogue with residents of Lawrence Tavern following the information session on the VM Foundation/NLA Land Titling Project held on January 17, 2024. Trevor Reynolds (left), from Mahoney District and Desrene Walker-Cochrane (centre), from Mt. Charles, were among several residents who turned up to get more details on the project.

Financial Statements

December 31, **2024**

INDEPENDENT AUDITORS' REPORT

To the Members of VM Group Limited

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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of VM Group Limited ("the Company") comprising the separate financial statements of the Company and the consolidated financial statements of the Company and its subsidiaries ("the Group"), set out on pages 120 to 189, which comprise the Group's and Company's statements of financial position as at December 31, 2024, the Group's and Company's income statements, statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and the Company as at December 31, 2024, and of the Group's and the 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants including International Independence Standards (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Those charged with governance are responsible for overseeing the Group's financial reporting process.

INDEPENDENT AUDITORS' REPORT

To the Members of VM Group Limited

Report on the Audit of the Financial Statements (Continued)

Auditors' Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with ISAs, we exercise professional judgement 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 Group's internal control.

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Report on the Audit of the Financial Statements (Continued)

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

- 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 gives a true and fair view.

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

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

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.

KPMG

Chartered Accountants
Kingston, Jamaica

April 30, 2025

VM GROUP LIMITED

Statement of Financial Position

December 31, 2024

	Notes	2024 $'000	2023 $'000
ASSETS			
Cash resources	7	15,966,397	11,248,495
Investments - Jamaica Government securities	8	24,131,695	24,908,353
- Other	9	28,947,620	26,664,443
Resale agreements	10	3,672,217	3,782,576
Loans	11	125,529,163	121,930,499
Other assets	13	9,017,190	9,753,199
Income tax recoverable		700,078	759,452
Deferred tax assets	14(a)	1,922,137	1,368,464
Employee benefits asset	15	1,403,811	1,284,611
Interest in associates	17	4,870,463	4,741,299
Intangible assets	18	3,753,749	3,512,387
Investment and foreclosed properties	19	598,566	544,053
Property, plant and equipment	20	3,054,743	3,254,536
Total assets		223,567,829	213,752,367
LIABILITIES			
Savings fund:			
Regular savings	21	142,495,306	135,373,340
Depositors' savings	22	10,466,268	6,967,898
		152,961,574	142,341,238
Due to specialised institution	23	1,885,305	1,938,931
		154,846,879	144,280,169
Income tax payable		84,589	57,503
Other liabilities	24	6,946,092	5,365,882
Repurchase agreements	25	14,708,425	16,348,883
Other borrowings	26	22,904,325	25,448,720
Lease liabilities	27	934,897	341,454
Deferred tax liabilities	14(b)	10,526	10,793
Employee benefits obligation	15	1,140,300	868,600
Total liabilities		201,576,033	192,722,004

	Notes	2024 $'000	2023 $'000
EQUITY			
Share capital	28	7,746,058	7,746,058
Reserve fund	29(i), 30	1,825,079	1,684,509
Retained earnings reserve	29(ii), 30	7,225,160	7,225,160
Non-distributable reserve	29(iii)	(126,301)	(156,891)
Credit facility reserve	11(c), 29(iv)	3,862,172	3,090,413
Investment revaluation reserve	29(v)	(1,661,255)	(1,764,843)
General reserve		10,000	10,000
Currency translation reserve	29(vi)	342,026	338,565
Retained earnings		2,143,746	2,357,350
Total equity attributable to equity holders of the company		21,366,685	20,530,321
Non-controlling interest	31	625,111	500,042
Total equity		21,991,796	21,030,363
Total liabilities and equity		223,567,829	213,752,367

The financial statements on pages 120 to 189 were approved for issue by the Board of Directors on April 30, 2025, and signed on its behalf by:

____________________Director
Michael McMorris

Countersigned:

____________________Director
Courtney Campbell

____________________Corporate Secretary
Keri-Gaye Brown

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

VM GROUP LIMITED

Company Statement of Financial Position

December 31, 2024

	Notes	2024 $'000	2023 $'000
ASSETS			
Cash resources	7	1,054	20
Investment securities – other	9	231,398	-
Due from related parties	12	157,125	-
Other assets	13	1,748	-
Deferred tax assets	14(a)	52,280	7,962
Interest in subsidiaries	16	18,624,846	18,624,846
Intangible assets	18	271,359	-
Property plant and equipment	20	39,084	-
Total assets		19,378,894	18,632,828
LIABILITIES			
Income tax payable		59,559	-
Due to related entities	12	645,595	235,450
Other liabilities	24	245,335	37,707
Other borrowings	26	2,057,095	1,000,000
Total liabilities		3,007,584	1,273,157
EQUITY			
Share capital	28	7,746,058	7,746,058
Retained earnings reserve	29(ii)	9,678,788	9,678,788
Retained earnings		(1,053,536)	(65,175)
Total equity		16,371,310	17,359,671
Total liabilities and equity		19,378,894	18,632,828

The financial statements on pages 120 to 189 were approved for issue by the Board of Directors on April 30, 2025, and signed on its behalf by:

Director
Michael McMorris

Countersigned:

Director
Courtney Campbell

Corporate Secretary
Keri-Gaye Brown

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

VM GROUP FINANCIAL STATEMENTS 2024

VM GROUP LIMITED

Income Statements

December 31, 2024

	Notes	Group 2024 $'000	Group 2023 $'000	Company 2024 $'000	Company Eleven months period 2023 $'000
Interest income, calculated using the effective interest method	33	13,470,879	12,428,055	59	-
Interest expense	33	(6,956,659)	(6,524,574)	(191,949)	(31,849)
Net interest income		6,514,220	5,903,481	(191,890)	(31,849)
Fee and commission income	34	2,872,448	2,415,777	-	-
Fee and commission expenses	34	(320,698)	(319,370)	-	-
Net fee and commission income		2,551,750	2,096,407	-	-
Other operating revenue	35	5,781,548	2,589,529	368,305	-
Net interest income/(expense) and other revenue		14,847,518	10,589,417	176,415	(31,849)
Personnel costs	36	(6,395,342)	(5,391,381)	-	(19,028)
Impairment charge on financial assets	5(a)(ii)	(1,220,975)	(271,862)	(915,386)	-
Depreciation and amortisation	18, 19, 20	(1,100,218)	(942,915)	(3,181)	-
Other operating expenses	37	(6,052,762)	(4,937,012)	(230,966)	(22,260)
		(14,769,297)	(11,543,170)	(1,149,533)	(41,288)
Share of profits of associates	17(b)	455,448	442,161	-	-
Profit/(loss) before income tax		533,669	(511,592)	(973,118)	(73,137)
Income tax credit/(charge)	38	289,780	136,938	(15,243)	7,962
Profit/(loss) for the year/period		823,449	(374,654)	(988,361)	(65,175)
Profit/(loss) attributable to:					
Equity holders' of the Company		712,305	(414,424)	(988,361)	(65,175)
Non-controlling interest	31	111,144	39,769	-	-
		823,449	(374,655)	(988,361)	(65,175)

VM GROUP LIMITED

Statements of Comprehensive Income

December 31, 2024

	Notes	Group 2024 $'000	Group 2023 $'000	Company 2024 $'000	Company Eleven months period 2023 $'000
Profit/(loss) for the year/period		823,449	(374,655)	(988,361)	(65,175)
Other comprehensive income					
Items that will never be reclassified to profit or loss:					
Net gains/(losses)on investments in equity securities designated at FVOCI		168,300	(298,350)	-	-
Net gains on remeasurement of employee benefits asset and obligation	15(i)(e),15(ii)(c)	22,500	407,000	-	-
Deferred income tax on net gains on remeasurement of employee benefits asset and obligation	14(b)	(6,810)	(122,285)	-	-
		183,990	(13,635)	-	-
Items that may be reclassified to profit or loss:					
Unrealised gains on debt securities at FVOCI		31,822	492,107	-	-
Deferred income tax on unrealised gains on investment securities measured at FVOCI	14(b)	(10,398)	(62,284)	-	-
Realised (losses)/gains on fair value of debt securities at FVOCI		(23,434)	2,102	-	-
Foreign currency translation difference on foreign exchange operations and other adjustments		6,386	90,623	-	-
Share of investment revaluation of associates		(24,882)	19,351	-	-
		(20,506)	541,899	-	-
Total other comprehensive income for the year, net of tax		163,484	528,264	-	-
Total comprehensive income/(loss) for the year/period		986,933	153,609	(988,361)	(65,175)
Total comprehensive income/(loss) attributable to:					
Equity holders of the Company		836,364	141,281	(988,361)	(65,175)
Non-controlling interest	31	150,569	12,328	-	-
		986,933	153,609	(988,361)	(65,175)

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

VM GROUP LIMITED

Group Statement of Changes in Equity

Year ended December 31, 2024

	Share capital $'000 (note 28)	Reserve fund $'000 (note 30)	Retained earnings reserve $'000 (note 30)	Non-distributable reserve $'000 [note29 (ii)]	Credit facility reserve $'000 [note29 (iv)]	Investment revaluation reserve $'000 [note29 (v)]	General reserve $'000	Currency translation reserve $'000 [note29 (vi)]	Retained earnings $'000	Total capital and reserves $'000	Non controlling interest $'000 (note 31)	Total capital and reserve $'000
Balances as at December 31, 2022	**7,746,058**	**1,684,509**	**7,225,160**	**(446,131)**	**2,569,620**	**(1,952,524)**	**10,000**	**255,496**	**3,296,852**	**20,389,040**	**487,714**	**20,876,754**
Total comprehensive income for 2023												
(Loss) for the year	-	-	-	-	-	-	-	-	(414,424)	(414,424)	39,769	(374,655)
Other comprehensive income:												
Unrealised losses on debt securities at FVOCI, net of tax	-	-	-	-	-	404,908	-	-	-	404,908	24,915	429,823
Foreign currency translation difference on foreign subsidiaries' balances and other adjustments	-	-	-	-	-	-	-	83,069	-	83,069	7,554	90,623
Realised gains on debt securities at FVOCI	-	-	-	-	-	2,102	-	-	-	2,102	-	2,102
Unrealised losses on equity securities at FVOCI	-	-	-	-	-	(238,680)	-	-	-	(238,680)	(59,670)	(298,350)
Net gain on remeasurement of employee benefits asset and obligation, net of tax	-	-	-	289,240	-	-	-	-	(4,285)	284,955	(240)	284,715
Share of investment revaluation of associate	-	-	-	-	-	19,351	-	-	-	19,351	-	19,351
Total other comprehensive income	-	-	-	289,240	-	187,681	-	83,069	(4,285)	555,705	(27,441)	528,264
Total comprehensive income for the year	-	-	-	289,240	-	187,681	-	83,069	(418,709)	141,281	12,328	153,609
Movements between reserves												
Credit facility reserve transfer	-	-	-	-	520,793	-	-	-	(520,793)	-	-	-
Total movement between reserves	-	-	-	-	520,793	-	-	-	(520,793)	-	-	-
Balances at December 31, 2023	**7,746,058**	**1,684,509**	**7,225,160**	**(156,891)**	**3,090,413**	**(1,764,843)**	**10,000**	**338,565**	**2,357,350**	**20,350,321**	**500,042**	**21,030,363**

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

VM GROUP LIMITED

Group Statement of Changes in Equity CONTINUED

Year ended December 31, 2024

	Share capital $'000 (note 28)	Reserve fund $'000 (note 30)	Retained earnings reserve $'000 (note 30)	Non-distributable reserve $'000 [note29 (iii)]	Credit facility reserve $'000 [note29 (iv)]	Investment revaluation reserve $'000 [note29 (v)]	General reserve $'000	Currency translation reserve $'000	Retained earnings $'000	Total capital and reserves $'000	Non controlling interest $'000 (note 31)	Total capital and reserve $'000
Balances as at December 31, 2023	7,746,058	1,684,509	7,225,160	(156,891)	3,090,413	(1,764,843)	10,000	338,565	2,357,350	20,530,321	500,042	21,030,363
Total comprehensive income for 2024												
Profit for the year	-	-	-	-	-		-	-	712,305	712,305	111,144	823,449
Other comprehensive income:												
Unrealised gains on debt securities at FVOCI, net of tax	-	-	-	-	-	17,264	-	-	-	17,264	4,160	21,424
Foreign currency translation difference on foreign subsidiaries' balances and other adjustments	-	-	-	-	-		-	3,461	-	3,461	2,925	6,386
Realised losses on debt securities at FVOCI	-	-	-	-	-	(23,434)	-	-	-	(23,434)	-	(23,434)
Unrealised gain on equity securities at FVOCI	-	-	-	-	-	134,640	-	-	-	134,640	33,660	168,300
Share of investment revaluation of associate	-	-	-	-	-	(24,882)	-	-	-	(24,882)	-	(24,882)
Net gain on remeasurement of employee benefits asset and obligation, net of tax	-	-	-	30,590	-	-	-	-	(13,580)	17,010	(1,320)	15,690
Total other comprehensive income	-	-	-	30,590	-	103,588	-	3,461	(13,580)	124,059	39,425	163,484
Total comprehensive income for the year	-	-	-	30,590	-	103,588	-	3,461	698,725	836,364	150,569	986,933
Movements between reserves												
Credit facility reserve transfer [29 (iv)]	-	-	-	-	771,759	-	-	-	(771,759)	-	-	-
Other transfer [29 (i)]	-	140,570	-	-	-	-	-	-	(140,570)	-	-	-
Total movement between reserves	-	140,570	-	-	771,759	-	-	-	(912,329)	-	-	-
Transaction with owner												
Dividend paid to NCI (note 31)	-	-	-	-	-	-	-	-	-	-	(25,500)	(25,500)
Total transactions with owners	-	-	-	-	-	-	-	-	-	-	(25,500)	(25,500)
Balances at December 31, 2024	7,746,058	1,825,079	7,225,160	(126,301)	3,862,172	(1,661,255)	10,000	342,026	2,143,746	21,366,685	625,111	21,991,796

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

VM GROUP LIMITED

Company Statement of Changes in Equity

Year ended December 31, 2024

(with comparatives for the eleven-month period ended December 31, 2023)

	Share capital reserve $'000 (note 28)	Retained earnings reserve $'000 [note 29 (ii)]	Retained earnings $'000	Total $000
Loss for the period, being total comprehensive loss	-	-	(65,175)	(65,175)
Transactions with owners of the company:				
Issue of shares	7,746,058	-	-	7,746,058
Transaction reserves arising from restructuring (note 42)	-	9,678,788	-	9,678,788
Balances at December 31, 2023	7,746,058	9,678,788	(65,175)	17,359,671
Loss for the year, being total comprehensive loss	-	-	(988,361)	(988,361)
Balances at December 31, 2024	7,746,058	9,678,788	(1,053,536)	16,371,310

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

VM GROUP LIMITED

Group Statement of Cash Flows

Year ended December 31, 2024

	Notes	2024 $'000	2023 $'000
Cash flows from operating activities			
Profit/(loss) for the year		823,449	(374,655)
Adjustments for:			
Depreciation and amortisation	18, 19, 20	1,100,218	941,986
Amortisation of transaction fees	11(c), (13)	(210,814)	(184,104)
Employee benefits asset and obligation	15(i)(d),(ii)(a),(b)	176,400	22,400
Interest income	33	(13,470,879)	(12,428,055)
Interest expense	33	6,956,659	6,593,606
Dividend income		-	(1,254,460)
(Gain)/loss on disposal of investment property and property, plant and equipment	35	(1,745,947)	65,769
Write off of intangible assets	18	48,727	-
Impairment reversal on associate	35	(54,638)	-
Gain on investment activities	35	(1,636,618)	(1,437,631)
Unrealised fair value (gain)	35	(766,219)	(59,493)
Share of profits of associates	17(b)	(455,448)	(442,161)
Impairment charge on financial assets	5(a)(ii)	1,220,975	271,862
Impairment charge on non-financial assets		-	1,188,777
Unrealised exchange losses/(gains) on foreign currency balances		191,641	(532,066)
Income tax credit	38	(289,780)	(136,938)
		(8,112,274)	(7,765,163)
Changes in:			
Cash reserves held at Bank of Jamaica		(83,168)	(149,964)
Loan advances, net of repayments		(3,735,686)	(10,393,192)
Resale agreements		110,874	(1,666,180)*
Repurchase agreements		(1,490,008)	(1,388,883)*
Change in other assets		1,988,852	1,821,610
Employee benefits, net		(1,400)	(1,500)
Deposit from customers		11,764,170	7,009,433
Due to specialised institution		(53,626)	1,367,305
Change in other liabilities		1,419,904	(1,557,040)
		1,807,638	(12,723,574)
Interest received		12,134,327	10,575,720
Dividend received		362,096	124,804
Interest paid		(8,090,637)	(5,291,110)
Income taxes paid		(194,908)	(987,756)
Net cash provided/(used in) by operating activities		6,018,516	(8,301,916)
Cash flows from investing activities			
Purchase of investments	8,9	(71,461,199)	(43,210,356)
Proceeds from disposal of investments	8,9	71,735,999	43,960,812
Purchase of intangible assets	18	(808,125)	(586,736)
Acquisition of additional shares in associate	17(f)	-	(628,175)
Proceeds from disposal of shares in associates	17(f)	8,816	-
Purchase of investment properties	19	(168,125)	(112,733)
Purchase of property, plant and equipment	20	(242,893)	(395,346)
Proceeds of disposal of investment properties		704,526	45,903
Proceeds of disposal of property plant and equipment		1,694,300	-
Net cash provided/(used in) investing activities		1,463,299	(926,631)

	Notes	2024 $'000	2023 $'000
Cash flows from financing activities			
Proceeds from other borrowings	26	3,767,897	20,487,327
Repayments of other borrowing	26	(6,312,292)	(11,874,157)
Payment of lease liabilities	27(d)	(70,994)	(79,102)
Dividends paid to non-controlling interest	31,43	(25,500)	-
Net cash (used in)/provided by financing activities		(2,640,889)	8,534,068
Net increase/(decrease) in cash and cash equivalents for year		4,840,926	(694,479)
Cash and cash equivalents at beginning of year		9,777,730	9,940,143
Effect of exchange rate fluctuations on cash and cash equivalents		(206,192)	532,066
Cash and cash equivalents at end of year	7	14,412,464	9,777,730

*Reclassified see- note 44

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

VM GROUP LIMITED

Company Statement of Cash Flows

Year ended December 31, 2024

	Notes	2024 $'000	2023 $'000
Cash flows from operating activities			
Loss for the period		(988,361)	(65,175)
Adjustments for:			
Depreciation	18, 20	3,181	-
Interest income	33	(59)	-
Interest expense	33	191,949	31,849
Impairment charge on financial assets		915,386	-
Income tax expense/(credit)	38	15,243	(7,962)
		137,339	(41,288)
Changes in:			
Other liabilities		(7,715)	5,859
Other assets		(1,748)	-
Related parties		253,019	235,451
		380,895	200,022
Interest received		59	-
Interest paid		23,393	-
Net cash provided by operating activities		404,347	200,022
Cash flows from investing activities			
Purchase of investment	9	(1,146,784)	-
Purchase of intangible assets	18	(274,102)	-
Purchase of property, plant and equipment	20	(39,522)	-
Interest in subsidiaries		-	(1,200,002)
Net cash used in investing activities		(1,460,408)	(1,200,002)
Cash flows from financing activities			
Additions to other borrowings	26	1,105,095	1,000,000
Repayments of other borrowing	26	(48,000)	-
Net cash provided by financing activities		1,057,095	1,000,000
Net increase in cash and cash equivalents for year/period		1,034	20
Cash and cash equivalents at beginning of period		20	-
Cash and cash equivalents at end of year/period	7	1,054	20

VM GROUP LIMITED

Notes to the Financial Statements

Year ended December 31, 2024

1. IDENTIFICATION

(a) VM Group Limited ("the Company") was incorporated on February 1, 2023, under the Jamaican Companies Act and domiciled in Jamaica. The registered office of the Company is located at 6-10 Duke Street, Kingston, Jamaica.

The principal activities of the Company and its subsidiaries [note 1(b)] comprises granting loans, accepting deposits, trading in foreign currencies, stockbroking and securities trading, asset management, pension fund management, providing money transfer services, investing funds, investment and financial holding services and real estate services.

In the previous year the Company was formed as part of a Scheme of Arrangement ("the Scheme") for the restructuring of The Victoria Mutual Building Society ("Society") and its subsidiaries, in keeping with the requirements of the Banking Services Act, 2014. This Scheme which gave rise to the formation of the Company was sanctioned by order of the Supreme Court on November 24, 2022. Upon the Scheme taking effect on February 1, 2023, the subsidiaries listed at (b) were transferred to the Company (see note 42).

As the reorganisation was a transaction among entities under common control, the Group applied predecessor value method of accounting. Under the predecessor method:

- The Group did not restate assets and liabilities to their fair values. Instead, the Group incorporated the assets and liabilities at the amounts recorded in the books of the combined companies, adjusted to achieve harmonisation of accounting policies.
- No goodwill arose.
- The financial statements incorporated the combined companies' results as if the companies had always been combined.

(b) "Group" refers to the Company and its subsidiaries, which are as follows:

Entity	Country of incorporation	Nature of business	Percentage equity held by: The Company	Subsidiaries
VM Financial Group Limited and its subsidiaries:	Jamaica	Financial holding company for the financial entities within the Group	100	-
The Victoria Mutual Building Society	Jamaica	Granting loans and accepting deposits	-	100
VM Investments Limited and its wholly- owned subsidiary:	Jamaica	Investment holding company and select corporate finance services		80
VM Wealth Management Limited	Jamaica	Stockbroking, securities trading, asset management, corporate finance and investment advisory services	-	100
VM Pensions Management Limited	Jamaica	Pension fund management and administration		100

VM GROUP LIMITED

Notes to the Financial Statements

Year ended December 31, 2024

1. **IDENTIFICATION (CONT'D)**

(b) "Group" refers to the Company and its subsidiaries, which are as follows (cont'd:

Entity	ıtry of ɔrporation	Nature of business	Percentage equity held by: The Company	Subsidiaries
Victoria Mutual Finance Limited	United Kingdom	Provision of management services to the Company and specialised lending in the UK	-	100
VM Money Transfer Services Limited	Jamaica	Management of money transfer services	-	99
VMBS Overseas (UK) Limited	United Kingdom	Promotion of the business of The Victoria Mutual Building Society.	-	100
VM Innovations Limited and its subsidiaries:	Jamaica	Property holding company, development and rental of real property	100	-
VM Property (Services) Limited	Jamaica	Valuations, property management, project management and realtor services	-	100
VM Real Estate Holdings Limited	Jamaica	Property Investment Company	-	100

(c) Interest in associated companies

(i) The VM Financial Group Limited has a 44.17% (2023: 44.45%) interest in British Caribbean Insurance Company Limited, which is a general insurance company incorporated in Jamaica. This investment is accounted for under the equity method as an associated company in the consolidated financial statements, and at cost in the company financial statements.

(ii) On March 28, 2024, the VM Financial Group Limited purchased a 30% interest in Carilend Caribbean Holdings Limited (Carilend), from its subsidiary VM Investments Limited for total consideration of $760.9M. The purchase consideration consisted of $422.4M for ordinary shares and $338.4M for preference shares (see note 9). Carilend is incorporated in Barbados and facilitates peer-to-peer lending. This investment is accounted for under the equity method as an associated company in the consolidated financial statements, and at cost in the company financial statements. No goodwill was identified as part of the transaction.

(iii) VM Investments Limited, a subsidiary of VM Financial Group Limited, holds a 23% interest in Kingston Properties Limited (KPREIT) a company incorporated in Jamaica. This investment is accounted for under the equity method as an associated company in the financial statements.

2. **REGULATIONS AND LICENCE**

VM Financial Group Limited was granted its license pursuant to section 19(2) of the Banking Services Act 2014 to operate as a Financial Holding Company by The Bank of Jamaica on November 15, 2023. One of the VM Financial Group Limited's subsidiaries, The Victoria Mutual Building Society, is licensed by the Bank of Jamaica, and its financial statements are delivered, under the Building Societies Act, the Banking Services Act 2014 and applicable Regulations.

Two of the VM Group Limited's subsidiaries, VM Wealth Management Limited and VM Pensions Management Limited, are licensed by the Financial Services Commission. VM Wealth Management Limited is a licensed investment advisor and securities dealer. It is also a member of the Jamaica Stock Exchange and is regulated as a securities broker/dealer.

VM Pensions Management Limited is a licensed pension fund manager.

VM Investments Limited is listed on the main market of the Jamaica Stock Exchange. VM Money Transfer Services Limited is licensed by Bank of Jamaica as a remittance service provider.

Victoria Mutual Finance Limited is regulated by Financial Conduct Authority.

VM GROUP LIMITED

Notes to the Financial Statements

Year ended December 31, 2024

3. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

(a) Statement of compliance

These financial statements have been prepared in accordance with IFRS Accounting Standards and comply with the relevant provisions of the Banking Services Act and the Jamaica Companies Act.

New and amended standards that became effective during the year:

Certain new and amended standards came into effect during the current financial year. The Group and Company has assessed them and has adopted those which are relevant to its financial statements. The financial statements are prepared in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board (IFRS Accounting Standards).

Other pronouncements under IFRS Accounting Standards did not result in any significant changes to amounts recognised or disclosed in these financial statements. See note 42.

New and amended standards and interpretations that are not yet effective:

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

- 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.

- Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 *Financial Instruments and* IFRS 7 *Financial Instruments: Disclosures.* The amendments apply for reporting periods beginning on or after 1 January 2026. The IASB has amended IFRS 9 to clarify when a financial asset or a financial liability is recognised and derecognised and to provide an exception for certain financial liabilities settled using an electronic payment system. The exception allows Companies to derecognise its financial liabilities before the settlement date, when it uses an electronic payment system that meets all of the following criteria:

  (i) no practical ability to withdraw, stop or cancel the payment instruction;
  (ii) no practical ability to access the cash to be used for settlement as a result of the payment instruction; and
  (iii) the settlement risk associated with the electronic payment system is insignificant.

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

VM GROUP LIMITED

Notes to the Financial Statements

Year ended December 31, 2024

3. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION (CONT'D)

(b) Basis of preparation

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

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

(ii) Certain debt instruments mandatorily classified at fair value through profit or loss.

(iii) Equity securities measured at fair value through profit or loss.

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

(v) The employee benefits asset recognised as plan assets, less the present value of the defined-benefit obligation, limited as explained in note 4(i); and

(vi) The defined-benefit liability measured as the present value of the unfunded obligations.

(c) Functional and presentation currency

The functional currency of an entity is the currency of the primary economic environment in which the entity operates. The financial statements are presented in Jamaica dollars ($), which is the functional currency of the Company. The financial statements of other entities included in the financial statements that have different functional currencies are translated into Jamaica dollars in the manner set out in note 4(o). Amounts are rounded to the nearest thousand, unless otherwise stated.

(d) Estimates critical to reported amounts, and judgements in applying accounting policies

The preparation of the financial statements to conform to IFRS requires management to make estimates based on assumptions and judgements. Management also makes judgements, other than those involving estimates, in the process of applying the accounting policies. The estimates and judgements affect (1) the reported amounts of assets, liabilities, contingent assets and contingent liabilities at the reporting date and the income and expenses for the year then ended, and (2) the carrying amounts of assets and liabilities in the next financial year.

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:

(i) Key sources of estimation uncertainty

(1) Impairment of financial assets:

A number of significant judgements are required in applying the accounting requirements for measuring expected credit loss (ECL), such as:

- Determining criteria for significant increases in credit risk;
- Choosing appropriate models and assumptions for the measurement of ECL;
- Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated ECL; and
- Establishing groups of similar financial assets for the purposes of measuring ECL.

Detailed information about the judgements and estimates made by the Group in the above areas is set out in notes 4(n) and 5(a).

(2) Pension and other post-employment benefits

Determining employee benefit amounts to be included in the financial statements requires management to determine the fair value of plan assets and deduct the estimated present value of future benefits that employees have earned in current and prior periods.

Making these estimates requires certain assumptions, including a discount rate, inflation rate, rate of future increases in medical claims, pensions and salaries, as more fully set out in notes 4(i) and 15. Management provides its appointed actuaries with some of the information, including certain key assumptions used in estimating the employee benefit amounts. The uncertainty inherent in these assumptions could mean significant differences between actual results and the estimates determined by management.

VM GROUP LIMITED

Notes to the Financial Statements

Year ended December 31, 2024

3. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION (CONT'D)

(d) Estimates critical to reported amounts, and judgements in applying accounting policies (cont'd)

(i) Key sources of estimation uncertainty (cont'd)

(3) Fair value of financial instruments

There are no quoted market prices for a significant portion of the Group's financial assets. Accordingly, fair values of several financial assets are estimated using prices obtained from a yield curve.

The yield curve is, in turn, obtained from a pricing source which uses indicative prices submitted to it by licensed banks and other financial institutions in Jamaica. There is significant uncertainty inherent in this approach, which is categorised as a Level 2 fair value (see notes 8, 9 and 32). Some other fair values are estimated based on quotes published by brokers/dealers, and these are also classified as Level 2. The estimates of fair value arrived at from these sources have significant estimation uncertainties.

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

Impairment of interest in associate is dependent upon management's internal assessment of future cash flows from the associate. That internal assessment determines the recoverable value of the associate.

4. 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

The Scheme was accounted for as follows:

(i) Consolidated financial statements

In the consolidated financial statements the transaction is accounted for as a common control transaction using book value (carry-over basis) accounting, on the basis that the investment has simply been moved from one part of the group to another.

(ii) Separate financial statements

The company accounted for the investments in subsidiaries and associates at the original cost transferred from the Society, the predecessor parent of the group (or a proxy thereof). The issue of shares to the previous mutual fund equity holders was recognised at this cost.

(iii) Ongoing accounting policies

Group's financial statements include the financial statements of the Company and its subsidiaries, after eliminating intra-group amounts and remeasuring its investments in associates using the equity method.

Subsidiaries are those entities controlled by the Group. Control exists when the Group has power over an investee, exposure or rights to variable returns from its involvement with the investee, and ability to use its power to affect those returns.

Associated entities are those, other than a subsidiary or joint venture, over which the Group has significant influence, but not control, over financial and operating decisions. Significant influence is presumed to exist when the Group holds at least 20% but not more than 50% of the voting power of another entity.

The financial statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, from the date significant influence commences until the date significant influence ceases.

(iv) Non-controlling interests

Non-controlling interests are measured at their proportionate share of the acquiree's identifiable net assets at the acquisition date. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests, even if doing so causes the non-controlling interest to have a deficit balance.

VM GROUP LIMITED

Notes to the Financial Statements

Year ended December 31, 2024

4. MATERIAL ACCOUNTING POLICIES (CONT'D)

(a) Basis of consolidation (cont'd)

(v) Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, any related non-controlling interest and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

(vi) Transactions eliminated on consolidation

Intra-group balances and transactions, any unrealised gains and losses or income and expenses arising from intra-group transactions, are eliminated in preparing the financial statements. Unrealised gains arising from transactions with associates and jointly controlled entities are eliminated to the extent of the Group's interest in the entity. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b) Financial instruments - Classification, recognition and de-recognition, and measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

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

Management determines the appropriate classification of investments at the time of purchase, taking account of the purpose for which the investments were purchased. The Group classifies non-derivative financial assets into the following categories:

(i) Classification of financial instruments

Financial assets

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

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

- *Debt instruments*

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as loans, government and corporate bonds, and trade receivables purchased from clients in factoring arrangements without recourse.

Classification and subsequent measurement of debt instruments depend on the Group's business model for managing the asset and the cash flow characteristics of the asset. Based on these factors, the Group classifies its debt instruments into one of the following three measurement categories:

- *Amortised cost*: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest ('SPPI'), and that are not designated at FVTPL. The carrying amount of these assets is adjusted by any expected credit loss allowance recognised and measured as described at note 4(n). Interest income from these financial assets is included in 'Interest and similar income' 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.

- *Fair value through profit or loss (FVTPL):* Assets that do not meet the criteria for amortised cost or FVOCI. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss within 'Other operating revenue' in the period in which it arises. Interest income on 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. If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of 'other' business model and measured at FVTPL.

VM GROUP LIMITED

Notes to the Financial Statements

Year ended December 31, 2024

4. MATERIAL ACCOUNTING POLICIES (CONT'D)

(b) Financial instruments - Classification, recognition and de-recognition, and measurement (cont'd)

(i) Classification of financial instruments (cont'd)

Financial assets (cont'd)

- *Debt instruments* (cont'd)

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

- Past experience on how the cash flows for these assets were collected;
- How the assets' performance is evaluated and reported to key management personnel;
- How risks are assessed and managed; and
- 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 Group 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 payments 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 year.

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- *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 FVTPL, except where the Group's management has elected, at initial recognition, to irrevocably designate an equity investment at FVOCI.

Gains and losses on equity investments at FVTPL are included in the 'Other operating revenue' caption in the income statement.

Financial liabilities

The Group classifies non-derivative financial liabilities into the "other financial liabilities" category. These are measured at amortised cost.

(ii) Recognition and derecognition - Non-derivative financial assets and liabilities

The Group recognises a financial instrument when it becomes a party to the contractual terms of the instrument.

The Group initially recognises debt securities on the date when they are originated. All other financial assets and financial liabilities are initially recognised on the trade date.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains all or substantially all the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognised financial assets that is created or retained by the Group is recognised as a separate asset or liability.

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.

VM GROUP LIMITED

Notes to the Financial Statements

Year ended December 31, 2024

4. MATERIAL ACCOUNTING POLICIES (CONT'D)

(b) Financial instruments - Classification, recognition and derecognition, and measurement (cont'd)

(ii) Recognition and derecognition - Non-derivative financial assets and liabilities (cont'd)

The Group derecognises a financial liability when its contractual obligations expire or are discharged or cancelled.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when the Group has a current legal right to offset the amounts and intends either to settle them on a net basis, or to realise the assets and settle the liabilities simultaneously.

(iii) Measurement gains and losses – non-derivative financial assets

The Investment in Jamaica Government securities "and 'Investment - Other" caption in the statement of financial position include:

- debt investment securities measured at amortised cost which are initially measured at fair value plus incremental direct transaction costs, and subsequently at their amortised cost using the effective interest method;
- equity investment securities mandatorily measured at FVTPL or designated as at FVTPL, with changes recognised in profit or loss;
- debt securities measured at FVOCI; and
- equity investment securities irrevocably 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;
- expected credit loss (ECL) charges and reversals; and
- foreign exchange gains and losses.

When a 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 equity instruments classified at FVOCI 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.

(c) Financial instruments – Other

(i) Cash resources

Cash resources are measured at amortised cost. They comprise of cash on hand and demand deposits, including unrestricted balances held with the central bank. 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, rather than for investment or other purposes.

These are highly liquid instruments, and include deposits where the maturities do not exceed three months from the acquisition date.

(ii) 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 and 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 measured at amortised cost. 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 measured 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.

VM GROUP LIMITED

Notes to the Financial Statements

Year ended December 31, 2024

4. MATERIAL ACCOUNTING POLICIES (CONT'D)

(c) Financial instruments – Other (cont'd)

(iii) Other assets

Other assets are measured at cost or amortised cost, less impairment losses.

(iv) Loans payable

Loans payable are recognised initially at cost less attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost, with any difference between cost and redemption value recognised in profit or loss on the effective interest basis.

(v) Other liabilities

Other liabilities are measured at amortised cost.

(d) 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.

(i) As a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement or transition date. The right-of-use asset is initially measured at cost, which comprises the present value of the lease liability, plus any initial direct costs incurred and estimated asset retirement costs, less any lease incentives received.

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

The lease liability is initially measured at the present value of the future lease payments 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 accounts for the non-lease components separately.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources 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 Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

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 right-of-use asset has been fully amortised.

The Group presents right-of-use assets in 'property, plant and equipment' and lease liabilities as such in the statement of financial position.

(ii) Short-term leases and leases of low-value assets

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

VM GROUP LIMITED

Notes to the Financial Statements

Year ended December 31, 2024

4. MATERIAL ACCOUNTING POLICIES (CONT'D)

(e) Revenue recognition

Revenue arises in the course of the ordinary activities of the Group. The nature of the major items that comprise revenue and the recognition principles are as follow:

(i) Interest income

Interest income is calculated by applying the effective interest rate to the gross carrying amount of financial assets, except for:

(a) Purchased or originated credit-impaired (POCI) financial assets, for which the original credit-adjusted effective interest rate is applied to the amortised cost of the financial asset.

(b) Financial assets that are not 'POCI' but have subsequently become credit-impaired [see note 4(n)], for which interest revenue is calculated by applying the effective interest rate to their adjusted amortised cost (i.e., net of the expected credit loss allowance).

(ii) Fees, commissions and other income

Commission and other fee income, including account servicing fees, investment management fees, sales commissions, and placement fees, are recognised as the related services are performed. When a loan commitment fee is not expected to result in the draw-down of a loan, it is recognised on the straight-line basis over the commitment period.

(f) Interest expense

Interest expense is recognised using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash payments through the expected life of the financial liability to its carrying amount.

(g) Fee and commission expenses

Fee and commission expenses relate mainly to transaction and service fees, which are expensed as the services are received.

(h) Income tax

Income tax on the results for the year comprises current and deferred income tax. Taxation is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income (OCI), in which case it is also recognised in OCI.

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 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 taxation purposes.

Deferred income 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 or substantively enacted as of the reporting date. The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For this purpose, the carrying amount of investment property measured at fair value is presumed to be recovered through sale. Deferred income tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority.

A deferred income 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 realised. Deferred income tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Deferred income tax is not recognised for:

(i) temporary differences on the initial recognition of assets or liabilities in a transaction that is a business combination or that affects neither accounting nor taxable profit; and

(ii) temporary differences related to investments in subsidiaries, to the extent that it is probable that they will not reverse in the foreseeable future.

VM GROUP LIMITED

Notes to the Financial Statements

Year ended December 31, 2024

4. MATERIAL ACCOUNTING POLICIES (CONT'D)

(i) Employee benefits

Employee benefits comprise all forms of consideration given by the Group in exchange for service rendered by employees. These include current or short-term benefits such as salaries, NIS contributions, annual vacation and sick leave, and non-monetary benefits, such as medical care and housing; post-employments benefits, such as pensions and medical care; other long-term employee benefits, such as long service awards; and termination 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 the related service is provided. The expected cost of vacation leave that accumulates is recognised over the period that the employee becomes entitled to the leave.

Post-employment benefits are accounted for as described in paragraphs (ii), (iii) and (iv) 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 during service and charged as an expense, unless not considered material, in which case they are charged when they fall due for actual payment.

The Group operates a defined-contribution pension plan and a defined-benefit pension plan (see note 15) to provide post-employment benefits.

The defined benefit plan was closed to new entrants effective December 31, 2016. The defined contribution plan was approved by the Financial Services Commission and Tax Administration Jamaica with an effective date of January 1, 2017 for 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 Group and employees in accordance with the respective Trust Deeds and Plan Rules.

(ii) Defined-contribution pension plan

Under the defined contribution plan, retirement benefits are based on the Group's and employees' accumulated contributions plus accretions and, therefore, the Group has no further liability to fund benefits.

(iii) Defined-benefit pension plan

The defined-benefit plan provides benefits for retired employees of Group entities. The subsidiaries are participating employers in a group defined-benefit pension plan operated by the building society subsidiary. The building society subsidiary is directly responsible for any deficit in the plan. Additionally, all residual interest in the scheme belongs to the society. The plan is, therefore, accounted for as a defined-contribution plan in the financial statements of the individual participating subsidiaries and parent holding entities. 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.

In respect of defined-benefit arrangements, the employee benefits asset and obligation included in the financial statements are determined by a qualified independent actuary, appointed by management. The appointed actuary's report outlines the scope of the valuation and the actuary's opinion. The actuarial valuations are conducted in accordance with IAS 19, and the financial statements reflect the Company's post-employment benefit asset and obligation as computed by the actuary.

The Group's net asset in respect of the defined-benefit pension plan is calculated by estimating the fair value of any plan assets and deducting the present value of future benefit that employees have earned in return for their service in the current and prior periods.

The discount rate is the yield at the reporting date on long-term government securities that have maturity dates approximating the terms of the Group's obligations. In the absence of such instruments in Jamaica, the rate is estimated by extrapolating from the longest tenure security on the market. The calculation is performed by the Group's independent qualified actuary using the Projected Unit Credit Method.

When the benefits of the plan are changed or when the plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in the income statement. The Group recognises gains and losses on the settlement of its defined benefit plan when the settlement occurs.

Remeasurements of the defined benefits asset, which comprise actuarial gains and losses and the effect of the asset ceiling (if any, excluding interest), are recognised in other comprehensive income. The Group determines the net interest income on the net defined benefit asset for the year by applying the discount rate used to measure the defined benefit obligation at the beginning of the year to the net defined benefit asset, taking into account any changes in the net defined benefit asset during the year as a result of the contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in the income statement.

When the calculation results in a potential asset to the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

VM GROUP LIMITED

Notes to the Financial Statements

Year ended December 31, 2024

4. MATERIAL ACCOUNTING POLICIES (CONT'D)

(i) Employee benefits (cont'd)

(iv) Other post-employment benefits

The Group provides post-employment medical and other benefits. The obligations with respect to these benefits are calculated on a basis similar to that for the defined-benefit pension plan.

(j) Interest in subsidiaries

Interest in subsidiaries is measured at cost less impairment losses, in the separate financial statements of the Company.

(k) Intangible assets

(i) Goodwill arising on the acquisition of subsidiaries is measured at cost less accumulated impairment losses.

(ii) Computer software

Costs that are directly associated with acquiring identifiable software products which are expected to generate economic benefits beyond one year, are recognised as intangible assets. These assets are measured at cost, less accumulated amortisation and, if any, impairment losses. The assets are amortised using the straight-line method over their expected useful lives, estimated between five to seven years. Costs associated with maintaining computer software programs are recognised as an expense as incurred.

(iii) Exclusive rights

Exclusive rights arise from the acquisition of VM Wealth Funds Limited [*formerly* Republic Funds (Barbados) Incorporated] by VM Investments Limited, subsidiary of VM Financial Group Limited 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 [(4)(n)(ii)]. 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
Access rights	20 years

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

(l) Investment and foreclosed properties

(i) Investment property, held to earn rental income and/or for capital appreciation, is measured at cost, less accumulated depreciation and impairment losses. Lease income from investment property is accounted for on the straight-line basis. The depreciation rate is 2.5%.

(ii) In certain situations, the Group repossesses properties arising from foreclosure on loans in respect of which the borrower is in default. On the date of foreclosure, the repossessed collateral is measured at the carrying amount of the defaulted loan. It is thereafter measured at the lower of carrying amount and fair value less cost to sell, and classified as held-for-sale.

(m) Property, plant and equipment and depreciation

(i) Cost

(a) Recognition and measurement

Items of property, plant and equipment are measured at cost, less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the assets. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property or equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

(b) Subsequent costs

The cost of replacing part of an item of property or equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised as expenses, as incurred.

VM GROUP LIMITED

Notes to the Financial Statements

Year ended December 31, 2024

4. MATERIAL ACCOUNTING POLICIES (CONT'D)

(m) Property, plant and equipment and depreciation (cont'd)

(ii) Depreciation

Property, plant and equipment, with certain exceptions, are depreciated on the straight-line method at annual rates estimated to write off depreciable amounts over the assets' expected useful lives. The exceptions are freehold land, on which no depreciation is provided, and equipment on lease and leasehold improvements, which are amortised over the shorter of their useful lives and the lease terms.

The depreciation rates are as follows:

Buildings	2.5%
Office furniture and equipment	10 - 30%
Motor vehicles	20 - 25%
Right-of-use	Over life of lease

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

(n) Identification and measurement of impairment

(i) Non-derivative financial assets

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

- financial assets that are debt instruments, including loans and investment securities; and
- lease receivables.

Framework

The Group applies a 'three-stage' model for impairment based on changes in credit quality since initial recognition, as summarised below:

- *Stage 1:* a financial instrument that is not credit-impaired on initial recognition. Credit risk is continuously monitored by the Group.
- *Stage 2:* a significant increase in credit risk ('SICR') since initial recognition is identified, but the financial instrument is not yet deemed to be credit impaired. See below for a description of how the Group determines when a significant increase in credit risk has occurred.
- *Stage 3:* a financial asset is credit impaired when one or more events (see below) that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Determining whether credit risk has increased significantly (Stage 2)

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

- quantitative tests based on movement in Probabilities of Default (PD). Credit risk is deemed to increase significantly where the probability of default on a security or a loan has moved by six (6) basis points;
- qualitative indicators; and
- a backstop of 30 days past due. 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. In these cases, the Group determines a 12 month probation period during which the financial asset is required to demonstrate that its credit risk has declined sufficiently.

Credit-impaired financial assets (Stage 3)

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 it would not consider otherwise;
- the disappearance of an active market for a security because of financial difficulties;
- a loan that is overdue for 90 days or more, even when the regulatory definition of default is different.

VM GROUP LIMITED

Notes to the Financial Statements

Year ended December 31, 2024

4. MATERIAL ACCOUNTING POLICIES (CONT'D)

(n) Identification and measurement of impairment (cont'd)

(i) Non-derivative financial assets (cont'd)

Credit-impaired financial assets (Stage 3) (cont'd)

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 sovereign 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.

Purchased or originated credit-impaired financial assets (POCI)
Purchased or originated credit-impaired financial assets (POCI) are those financial assets that are credit-impaired on initial recognition. Their ECL is always measured on a lifetime basis.

Restructured financial assets

If the terms of a financial asset are renegotiated or modified or an existing financial asset is replaced with a new one due to financial difficulties of the borrower, then an assessment is made of whether the financial asset should be derecognised and ECL is measured as follows:

- If the expected restructuring will not result in derecognition of the existing asset, then the expected cash flows arising from the modified financial asset are included in calculating the cash shortfalls from the existing asset.

- If the expected restructuring will result in derecognition of the existing asset, then the expected fair value of the new asset is treated as the final cash flow from the existing financial asset at the time of its derecognition. This amount is included in calculating the cash shortfalls from the existing financial asset that are discounted from the expected date of derecognition to the reporting date using the original effective interest rate of the existing financial asset.

Measurement of expected credit losses

Expected credit losses (ECL) are probability-weighted estimates of credit losses, measured as follows:

- ECL on financial instruments in Stage 1 are measured at an amount equal to the expected credit losses that result from default events possible within the next 12 months.
- ECL on instruments in Stages 2 or 3 are measured based on expected credit losses on a lifetime basis.
- ECL on undrawn loan commitments are measured at the present value of the difference between the contractual cash flows that are due to the Group if the commitment is drawn and the cash flows that the Group expects to receive.
- ECL on financial guarantee contracts are measured at the expected payments to reimburse the holder, less any amounts that the Group expects to recover.
- ECL on trade and lease receivables are measured as an amount equal to lifetime ECL.

The ECL is determined by projecting the probability of default (PD), loss given default (LGD) and exposure at default (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 been prepaid or defaulted in an earlier month). This effectively calculates an ECL for each future month, which is then discounted to the reporting date and summed. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

Incorporation of forward-looking information

The assessment of SICR and the calculation of ECL both incorporate forward-looking information. Forecasts of these economic variables (the "base economic scenario") are provided by the Group's Research team on an annual basis and provide the best and worst estimate views 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 comparing historical information with forecast macro-economic data to determine whether the indicator describes a positive, negative or stable trend and to understand the impact changes in these variables have had historically on default rates and on the components of LGD and EAD.

VM GROUP LIMITED

Notes to the Financial Statements

Year ended December 31, 2024

4. **MATERIAL ACCOUNTING POLICIES (CONT'D)**

(n) Identification and measurement of impairment (cont'd)

(i) Non-derivative financial assets (cont'd)

Incorporation of forward-looking information (cont'd)

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. The economic scenarios used as at December 31, 2023, the following key indicators represents scores used to adjust the forward-looking information for Jamaica for the years 2023 to 2024:

	2024	2025
Unemployment rates	5.0%	4%
Base	0.6	0.6
Upside	0.3	0.3
Downside	0.6	0.6
Interest rates	6.5%	5%
Base	0.2	0.2
Upside	0.2	0.2
Downside	0.2	0.2
GDP Growth	1.8%	2%
Base	0.2	0.3
Upside	0.2	0.2
Downside	0.3	0.3
Inflation rates	4.8%	5%
Base	0.2	0.1
Upside	0.1	0.1
Downside	0.2	0.2

As with any economic forecast, the projections and likelihoods of occurrence are subject to a high degree of inherent uncertainty and therefore the actual outcomes may be significantly different to those projected.

As with any economic forecast, the projections and likelihoods of occurrence are subject to a high degree of inherent uncertainty and therefore the actual outcomes may be significantly different to those projected.

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.
- Loan commitments and financial guarantee contracts: generally, as a provision.
- 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 allowance is disclosed and is recognised in OCI/retained earnings

(ii) Non-financial assets

The carrying amounts of the Group's and Company'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. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash generating units ("CGUs"). Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in the income statement. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of other assets in the CGU on a pro rata basis.

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

VM GROUP LIMITED

Notes to the Financial Statements

Year ended December 31, 2024

4. MATERIAL ACCOUNTING POLICIES (CONT'D)

(o) Foreign currencies

(i) Transactions and balances

Foreign currency transactions are converted into the functional currencies of Group entities at the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Changes in the fair value of monetary securities denominated in foreign currencies and classified as FVOCI are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in the amortised cost are recognised in the income statement, and other changes in the carrying amount are recognised in other comprehensive income.

(ii) Foreign subsidiaries

For the purpose of consolidating the financial statements of subsidiaries operating outside of Jamaica, assets and liabilities are translated at the closing rates and income and expenses at the average rates for the year. Translation differences are recognised in other comprehensive income and included in the currency translation reserve.

If the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, then foreign currency differences arising from such an item form part of the net investment in the foreign operation. Accordingly, such differences are recognised in other comprehensive income and accumulated in the currency translation reserve.

5. FINANCIAL RISK MANAGEMENT

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 the use of financial instruments in the ordinary course of business:

- credit risk
- market risk
- liquidity risk
- operational risk

Notes 5(a) to (d) present information about the Group's exposure to each of the above-listed risks and the Group's objectives, policies and processes for measuring and managing risk.

Risk management framework

The Board of Directors of the Company has overall responsibility for approving and overseeing management's implementation of the Group's business strategy, risk appetite, enterprise risk management (ERM) framework and policies. The Board has established the following committees for risk management purposes:

(i) Group Finance and Risk Management Committee
(ii) Corporate Governance, Nomination and Compensation Committee
(iii) Group Audit Committee
(iv) Group Digital and IT Committee

These committees are responsible for developing and/or monitoring risk management policies in their specified areas. All Board committees are comprised of non-executive members and report to the Company's Board of Directors on their activities.

VM GROUP LIMITED

Notes to the Financial Statements

Year ended December 31, 2024

5. FINANCIAL RISK MANAGEMENT (CONT'D)

The Group Finance and Risk Management Committee is responsible for designing and monitoring an integrated approach to risk management across the Group and ensuring its effectiveness consistent with the strategic risk appetite of the Group. Risk management policies and systems are reviewed regularly to reflect changes in market conditions, products and services offered. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which the Board, management, team members and all stakeholders of the Group understand their roles, obligations and respective risk exposures.

There are, in addition, an Asset and Liability Committee ("ALCO"), a Credit Committee and an Enterprise Risk Management (ERM) Committee, comprising members of executive management. These Committees report to the Group Finance and Risk Management Committee of the Board. The ALCO has responsibility for liquidity management, interest rate and foreign exchange risk management, capital adequacy management and oversight of treasury performance. The Credit Committee has responsibility for the implementation of appropriate policies and procedures to support the credit review and approval process for the Group. The ERM Committee provides a first layer of oversight for the Group's ERM framework, including methods, policies and procedures to identify, assess, monitor and report on material risks to the attainment of the Group's key performance objectives.

VM Group Limited, VM Financial Group Limited, Victoria Mutual Building Society VM Investments Limited, VM Wealth Management Limited and VM Pensions Management Limited have audit committees. The Company's Audit Committee is responsible for monitoring the Group's compliance with the ERM policies and procedures. The Audit Committees are assisted in these functions by Group Internal Audit, which undertakes both regular and *ad hoc* reviews of risk management controls and procedures, the results of which are reported to the Audit Committees.

The main risks to which the Group is exposed are managed as follows:

(a) 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 in lending activities, investing and stock broking, and in deposits with other financial institutions. Financial assets arising from these activities include loans and other receivables, investment securities, resale agreements, cash resources and accounts receivable.

(i) Exposure to credit risk

The maximum credit exposure, that is, the amount of loss that would be suffered if all counter parties to the Group's financial assets were to default at once, is represented as follows:

(1) For financial assets recognised in the statement of financial position:

The carrying amount of financial assets shown on the statement of financial position.

(2) For financial assets not recognised in the statement of financial position:

	Group	
	2024	2023
	$'000	$'000
Loan commitments	1,081,193	9,168,821

VM GROUP LIMITED

Notes to the Financial Statements

Year ended December 31, 2024

5. FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Credit risk (cont'd)

(ii) Management of credit risk attaching to key financial assets

- Loans receivable

Credit risk is the single largest risk for the Group's business. Credit risk management and control is delegated to the Group's Finance and Risk Management Committee. The Committee is 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 and related parties.

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 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 losses (ECL) under IFRS 9. See note 4(n) for discussion on measurement of ECL.

The key judgements and assumptions adopted by the Group in addressing the requirements of IFRS 9 are discussed below:

- *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 counterparty.

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.

- Debt securities

For debt securities in the Treasury portfolio, external rating agency credit grades are used. These published grades are continuously monitored and updated. The PDs associated with each grade are determined based on realised default rates over the prior 12 months, as published by the rating agency.

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.

Maximum exposure to credit risk and credit quality analysis

The following tables set out information about the maximum exposure to credit risk and the credit quality of financial assets measured at amortised cost, FVOCI debt instruments. Unless specifically indicated, for financial assets, the amounts in the table represent gross carrying amounts. For loan commitments, the amounts in the table represent the amounts committed.

VM GROUP LIMITED

Notes to the Financial Statements

Year ended December 31, 2024

5. FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Credit risk (cont'd)

(ii) Management of credit risk attaching to key financial assets (cont'd)

- Loans receivable at amortised cost:

	Group 2024				2023
	Stage 1	Stage 2	Stage 3	Total	Total
	$'000	$'000	$'000	$'000	$'000
Credit grade					
Grade 3 - Low risk	28,994,038	1,223,414	1,016,113	31,233,565	30,788,866
Grade 4 -5	72,290,155	7,334,635	8,821,538	88,446,328	85,613,332
Grade 6 - 8	2,366,351	341,213	395,769	3,103,333	3,261,431
Grade 9 - 10 - High risk	3,926	1,160,807	2,248,335	3,413,068	2,631,047
	103,654,470	10,060,069	12,481,755	126,196,294	122,294,676
Loss allowance	(53,501)	(69,818)	(543,812)	(667,131)	(364,177)
Carrying amount	103,600,969	9,990,251	11,937,943	125,529,163	121,930,499

	Group 2024				2023
	Stage 1	Stage 2	Stage 3	Total	Total
	$'000	$'000	$'000	$'000	$'000
Aging of loans receivables					
Current	90,962,073	878,977	1,493,242	93,334,292	105,690,344
Past due 1-30 days	-	34,508	7,363,122	7,397,630	8,645,131
Past due 31-60 days	12,666,874	5,937,245	1,352,154	19,956,273	3,861,110
Past due 61-90 days	25,523	3,002,576	1,531,186	4,559,285	1,602,649
Over 90 days	-	206,763	742,051	948,814	2,495,442
	103,654,470	10,060,069	12,481,755	126,196,294	122,294,676
Loan commitments					
Grades 1-3: Low risk	1,081,193	-	-	1,081,193	9,168,821
Loss allowance	(410)	-	-	(410)	(1,103)

- Debt securities, resale agreements and cash at amortised cost:

	Group 2024				2023
	Stage 1	Stage 2	Stage 3	Total	Total
	$'000	$'000	$'000	$'000	$'000
Credit grade					
Investment grade	2,937,221	-	-	2,937,221	4,943,080
Non-investment grade*	28,354,180	-	-	28,354,180	21,860,080
Default	-	-	1,146,784	1,146,784	-
	31,291,401	-	1,146,784	32,438,185	26,803,160
Loss allowance	(114,853)	-	(915,386)	(1,030,239)	(252,144)
Carrying amount	31,176,548	-	231,398	31,407,946	26,551,016

	Company 2024				2023
	Stage 1	Stage 2	Stage 3	Total	Total
	$'000	$'000	$'000	$'000	$'000
Credit grade					
Investment grade	-	-	-	-	-
Non-investment grade*	1,054	-	-	1,054	20
Default	-	-	1,146,785	1,146,785	-
	1,054	-	1,146,785	1,147,839	20
Loss allowance	-	-	(915,386)	(915,386)	-
Carrying amount	1,054	-	231,399	232,453	20

- Other assets at amortised cost:

	Group 2024				2023
	Stage 1	Stage 2	Stage 3	Total	Total
	$'000	$'000	$'000	$'000	$'000
Credit grade					
Performing	6,423,931	163,972	171,490	6,759,393	7,300,101
Non-performing	-	17,755	72,133	89,888	722,607
Default	-	-	1,164,724	1,164,724	721,246
Gross carrying amount	6,423,931	181,727	1,408,347	8,014,005	8,743,954
Loss allowance	(17,886)	(3,309)	(757,990)	(779,185)	(713,352)
Carrying amount	6,406,045	178,418	650,357	7,234,820	8,030,602

Notes to the Financial Statements

Year ended December 31, 2024

5. FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Credit risk (cont'd)

(ii) Management of credit risk attaching to key financial assets (cont'd)

- Other assets at amortised cost (cont'd):

	Company	
	2024	2023
	Stage 1	Total
	$'000	$'000
Credit grade		
Non-investment grade*	1,021	-
Gross carrying amount	1,021	-

*Non-investment grade financial assets have credit ratings that range from BB+ to Default

- Debt securities at FVOCI:

	Group					
	2024					2023
	Stage 1	Stage 2	Stage 3	Purchase credit impaired	Total	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Credit grade						
Investment grade	4,199,386	-	-	-	4,199,386	3,623,812
Non-investment grade*	27,235,734	519,685	-	-	27,755,419	29,254,765
	31,435,120	519,685	-	-	31,954,805	32,878,577
Loss allowance	(43,369)	(42,670)	-	-	(86,039)	(76,338)

*Non-investment grade financial assets have credit ratings that range from BB+ to Default

Reconciliation of allowances for ECL

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

Reconciliation of allowances for ECL (cont'd)

- Debt securities, loans receivable and resale agreements at amortised cost:

	Group				
	2024				2023
	Stage 1	Stage 2	Stage 3	Total	Total
	$'000	$'000	$'000	$'000	$'000
Balance at January 1	323,793	23,401	982,479	1,329,673	957,811
Transfer from Stage 1 to stage 2	(1,580)	1,580	-	-	-
Transfer from Stage 1 to stage 3	(2,633)	-	2,633	-	-
Transfer from Stage 2 to stage 1	1,975	(1,975)	-	-	-
Transfer from stage 2 to stage 3	-	(2,633)	2,633	-	-
Transfer from stage 3 to stage 2	-	9,103	(9,103)	-	-
Transfer from stage 3 to stage 1	68,842	(2,035)	(65,480)	1,327	-
New financial assets originated/purchased	88,570	3,804	915,386	1,007,760	295,724
Financial assets fully derecognised during the period	(102,550)	(11,196)	(15,277)	(129,023)	(151,693)
Changes to inputs used in ECL calculation**	(190,691)	53,078	468,772	331,159	221,787
Foreign exchange adjustment	514	-	(98)	416	8,796
Net remeasurement of loss allowance	(137,553)	49,726	1,299,466	1,211,639	374,614
Other movements:					
Write off against provisions	-	-	(64,757)	(64,757)	(2,752)
Balance at December 31	186,240	73,127	2,217,188	2,476,555	1,329,673

** This represents changes in the driving parameters, i.e., Probability of Default, Loss Given Default, Exposure at Default and Forward-looking Information for the respective financial assets

VM GROUP LIMITED

Notes to the Financial Statements

Year ended December 31, 2024

5. FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Credit risk (cont'd)

(ii) Management of credit risk attaching to key financial assets (cont'd)

Reconciliation of allowances for ECL (cont'd)

- Debt securities at FVOCI:

	Group 2024 Stage 1 $'000	Stage 2 $'000	Stage 3 $'000	Total $'000	2023 Total $'000
Balance at January 1	36,650	39,688	-	76,338	176,849
Transfer to Stage 2	-	-	-	-	-
Transfer to Stage 3	-	-		-	-
New financial assets originated or purchased	8,521	-	-	8,521	10,710
New financial assets fully derecognised during the period	(12,004)	(35)	-	(12,039)	(66,340)
Changes to inputs used on ECL calculation **	10,055	3,017	-	13,072	(46,588)
Foreign exchange adjustment	147	-	-	147	1,707
Net remeasurement of loss allowance	6,719	2,982	-	9,701	(100,511)
Balance at December 31	43,369	42,670	-	86,039	76,338

** This represents changes in the driving parameters, i.e., Probability of Default, Loss Given Default, Exposure at Default and Forward-looking Information for the respective financial assets

- Loss allowance recognised in income statement during the year is summarized below:

	Group 2024 $'000	2023 $'000
Investment securities at amortised cost (notes 8, 9)	788,504	111,333
Investment securities at FVOCI [note 5a (ii)]	9,701	(100,511)
Loans and notes receivable [note 11(b)]	303,100	51,005
Resale agreement (note 10)	(515)	95
Other receivable (note 13)	130,590	199,535
Other financial assets (note 7)	(10,405)	10,405
	1,220,975	271,862

	Company 2024 $'000	2023 $'000
Investment securities at amortised cost (notes 8, 9)	915,386	-

The following table provides an explanation of how significant changes in the gross carrying amount of financial instruments during the period contributes to changes in the loss allowance.

	2024 Impact: Increase/(decrease) Stage 1 $'000	Stage 2 $'000	Stage 3 $'000
Loans and advances to customers at amortised cost			
Increase in loans due to strategic growth initiative			375,802

	2023 Impact: Increase/(decrease) Stage 1 $'000	Stage 2 $'000	Stage 3 $'000
Loans and advances to customers at amortised cost			
Increase in retail credit card loans due to strategic growth initiative	3,965	-	52,099

VM GROUP LIMITED

Notes to the Financial Statements

Year ended December 31, 2024

5. **FINANCIAL RISK MANAGEMENT (CONT'D)**

(a) **Credit risk (cont'd)**

(ii) **Management of credit risk attaching to key financial assets (cont'd)**

Reconciliation of allowances for ECL (cont'd)

- Loss allowance recognised in income statement during the year is summarized below (cont'd):

Loans with renegotiated terms

Loans with renegotiated terms have been restructured due to deterioration in the borrowers' financial position and the Group has made concessions that it would not otherwise consider. Once a loan is restructured, it remains in this category irrespective of satisfactory performance after restructuring.

At the request of the borrowers, some loans have been restructured with renegotiated terms; arising from changes or anticipated changes in the borrowers' financial position and payment capacity. The Group has accommodated these changes and the loans have returned to satisfactory performance.

As at December 31, 2024, the outstanding principal balances on loans that were restructured during the year amounted to $1,334,253,000 (2023: $1,700,000,000). The ECL amounts that were transferred from lifetime to 12 months amounted to $68,842,000 (2023: $41,113,000)

Write-off policy, applicable for both periods

The Group writes off loans (and any related allowances for impairment losses) when it determines that the loans are uncollectible. This determination is usually made after considering information such as changes in the borrowers' financial position, or that proceeds from collateral will not be sufficient to cover the entire exposure.

Collateral

Loan collateral represents mortgages over property, liens over motor vehicles and hypothecation of deposits held. The fair value of collateral that the Group held for loans past due (greater than three months) was $17,995,358,850 (2023: $34,571,752,075) [see note 5(a)(iii)].

Foreclosure

The Group sometimes acquires properties by way of foreclosure in the process of recovering amounts from defaulting borrowers. At the reporting date, the carrying amount of these assets was $39,880,000 (2023: $113,000). The Group's policy is, in accordance with regulatory requirements, to pursue realisation of the collateral in a timely manner, that is, within three years of foreclosure. No financial or other assets (other than real property mentioned herein) were obtained during the year by taking possession of collateral.

(iii) **Collateral and other credit enhancements held against financial assets**

The Group holds collateral against loans and advances to customers and others in the form of mortgage interests over property, other registered securities over other assets, and guarantees. Professional and other means are used to arrive at fair value of such collateral, based on the value of collateral assessed at the time of borrowing. These collateral values are updated across the board annually, with individual focus given to individual collateral values (including but not limited to professional valuations) when a loan is individually assessed as impaired. Collateral generally is not held over balances with banks or broker/dealers, except when securities are held under resale agreements. Collateral is generally not held against investment securities.

(1) Cash resources

These are held with regulated financial institutions and collateral is not required for such accounts, as management regards the institutions as strong.

(2) Investment securities

The Group manages the level of risk it undertakes by investing substantially in short-term investments, such as Government of Jamaica securities, and subsequently monitoring the financial condition and performance of the debtors/issuers. There is significant concentration in securities issued or guaranteed by Government of Jamaica.

(3) Resale agreements and certificates of deposit

Collateral is held for resale agreements other than those acquired from Bank of Jamaica, as set out in note 5(a)(iii) below.

(4) Other assets

Exposure to credit risk is managed through regular analysis of the ability of the borrowers and potential borrowers to meet repayment obligations and by changing these lending limits where appropriate.

VM GROUP LIMITED

Notes to the Financial Statements

Year ended December 31, 2024

5. FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Credit risk (cont'd)

(iii) Collateral and other credit enhancements held against financial assets (cont'd)

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		
	2024	2023	Collateral type
Loan advances to retail customers			
Mortgage lending	100%	100%	Real property
Auto loans	100%	100%	Liens on motor vehicles
Cash secured loans	100%	100%	Hypothecation of deposits
Resale agreements	100%	100%	Debt securities
Loan advances to customers *			
Margin loans	75%	75%	Debt and equity securities
Corporate loans	85%	100%	Commercial property, shares, debt securities Mortgage Loans

Loans (note 11) and Margin & other loans receivable (note 13)

The following tables stratify credit exposures from loans 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. The value of the collateral for mortgage loans is based on the collateral value at origination updated based on changes in house price indices. For credit – impaired loans, the value of collateral is based on the most recent appraisals.

	Total Value of Exposure			Exposure of Credit Impaired Loans	
	2024 $'000	2023 $'000		2024 $'000	2023 $'000
Mortgage Lending-			**Mortgage Lending**		
LTV ratio			LTV ratio		
Less than 50%	15,113,223	13,880,686	Less than 50%	2,342,602	2,438,272
51-70%	18,850,998	18,088,722	51-70%	2,253,824	1,900,469
71-90%	49,444,544	48,597,242	71-90%	4,221,600	3,376,606
91-100%	12,788,436	14,033,469	91-100%	1,014,775	648,961
More than 100%	2,348,140	2,625,517	More than 100%	334,904	257,381
Total	**98,545,341**	**97,225,636**	Total	**10,167,705**	**8,621,689**
Cash Secured Loans			**Cash Secured Loans**		
LTV ratio			LTV ratio		
Less than 50%	396,331	352,472	Less than 50%	-	87
51-70%	495,911	321,407	51-70%	-	6,044
71-90%	802,898	1,042,238	71-90%	5,504	14,728
91-100%	14,668	72,450	91-100%	-	-
More than 100%	301	-	More than 100%	-	-
Total	**1,710,109**	**1,788,567**	Total	**5,504**	**20,859**
Margin Loans & Corporate Lending			**Margin Loans & Corporate Lending**		
LTV ratio			LTV ratio		
Less than 50%	3,611,003	2,512,581	Less than 50%	859,705	522,979
51-70%	2,496,943	2,814,028	51-70%	233,757	143,817
71-90%	39,516	412,683	71-90%	720,799	697,761
91-100%		152,939	91-100%	-	-
More than 100%	719,921	697,762	More than 100%	1,746	-
Total	**6,867,383**	**6,589,993**	Total	**1,816,007**	**1,364,557**
Auto Loans			**Auto Loans**		
LTV ratio			LTV ratio		
Less than 50%	1,179,122	935,257	Less than 50%	96,788	80,928
51-70%	3,636,072	3,357,293	51-70%	384,596	267,462
71-90%	2,262,956	3,535,794	71-90%	374,838	322,804
91-100%	186,988	258,112	91-100%	39,120	37,262
More than 100%	2,983	13,767	More than 100%	2,983	3,448
Total	**7,268,121**	**8,100,223**	Total	**898,325**	**711,904**

VM GROUP LIMITED

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5. FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Credit risk (cont'd)

(iii) Collateral and other credit enhancements held against financial assets (cont'd)

	Total Value of Exposure			Exposure of Credit Impaired Loans	
	2024 $'000	2023 $'000		2024 $'000	2023 $'000
Staff Loans			**Staff Loans**		
LTV ratio			LTV ratio		
Less than 50%	229,319	219,210	Less than 50%	6,445	4,027
51-70%	172,156	146,738	51-70%	293	560
71-90%	259,700	150,908	71-90%	6,660	961
91-100%	61,186	55,414	91-100%	-	-
More than 100%	-	-	More than 100%	-	-
Total	722,361	572,270	**Total**	13,398	5,548
Specialized Loans			**Specialized Loans**		
LTV ratio			LTV ratio		
Less than 50%		744,012	Less than 50%	-	-
51-70%	1,240,701	8,618,104	51-70%	-	-
71-90%	585,932	2,606,505	71-90%	-	-
91-100%	154,625	139,633	91-100%	5,793	-
More than 100%	-	-	More than 100%	-	-
Total	1,981,258	12,108,254	Total	5,793	-
Unsecured Lending	13,477,574	1,021,737	Unsecured Lending	107,011	122,708
Mortgage escrow	613,969	702,894		-	-
Consumer escrow	26,066	27,690		-	-
	131,212,182	128,137,264		13,013,743	10,847,265

The Group monitors concentration of credit risk by sector and geographic location. An analysis of concentration of credit risk at the reporting date is shown below:

	Group 2024				
	Cash resources $'000	Loans $'000	Investments $'000	Resale agreements $'000	Total $'000
Concentration by sector:					
Retail	-	115,568,525	-	-	115,568,525
Corporate	-	3,379,904	9,766,752	-	13,146,656
Government of Jamaica	-	-	20,361,387	-	20,361,387
Other sovereign bonds	-	-	8,102,188	-	8,102,188
Bank of Jamaica	1,553,932	-	3,754,180	-	5,308,112
Financia institutions	14,412,465	488,308	1,231,381	3,672,217	19,804,371
Construction and land development	-	6,092,426	-	-	6,092,426
Equities & Unit Trusts	-	-	8,668,797	-	8,668,797
Other	-	-	1,194,630	-	1,194,630
	15,966,397	125,529,163	53,079,315	3,672,217	198,247,092
Concentration by location:					
Jamaica	15,221,171	78,040,362	42,233,692	3,672,217	139,167,442
United Kingdom	745,226	19,871,738	1,214,372	-	21,831,336
North America	-	26,222,474	4,366,789	-	30,589,263
Trinidad and Tobago	-	11,869	2,970,952	-	2,982,821
Dominican Republic	-	-	1,114,548	-	1,114,548
Other	-	1,382,720	1,178,962	-	2,561,682
	15,966,397	125,529,163	53,079,315	3,672,217	198,247,092

	Group 2023				
	Cash resources $'000	Loans $'000	Investments $'000	Resale agreements $'000	Total $'000
Concentration by sector:					
Retail	-	115,246,789	-	-	115,246,789
Corporate	-	2,177,730	9,319,910	-	11,497,640
Government of Jamaica	-	-	22,232,195	-	22,232,195
Other sovereign bonds	-	-	10,130,988	-	10,130,988
Bank of Jamaica	1,470,766	-	2,662,053	-	4,132,819
Financial institutions	9,777,729	62,969	709,118	3,782,576	14,332,392
Construction and land development	-	4,443,120	-	-	4,443,120
Equities & Unit Trusts	-	-	1,162,277	-	1,162,277
Other	-	-	5,356,255	-	5,356,255
	11,248,495	121,930,499	51,572,796	3,782,576	188,534,475
Concentration by location:					
Jamaica	10,141,619	77,244,676	39,911,802	3,782,576	131,080,673
United Kingdom	1,106,876	17,517,847	2,223,929	-	20,848,652
North America	-	24,049,641	5,151,145	-	29,200,786
Trinidad and Tobago	-	12,160	2,970,294	-	2,982,454
Dominican Republic	-	-	1,107,235	-	1,107,235
Other	-	3,106,284	208,391	-	3,314,675
	11,248,495	121,930,499	51,572,796	3,782,576	188,534,475

VM GROUP LIMITED

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Year ended December 31, 2024

5. FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Credit risk (cont'd)

(iii) Collateral and other credit enhancements held against financial assets (cont'd)

(b) Market risks

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate as a result of changes in market prices, whether caused by factors specific to the individual security or its issuer, or factors affecting all securities traded in the market. These arise mainly from changes in interest rates, foreign exchange rates, credit spreads and equity prices and will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising returns.

The Group separates its exposure to market risks between trading and non-trading portfolios. Market risks from trading activities are monitored by the ALCO. The ALCO monitors the price movement of securities on the local and international markets for both debt and equity securities. Market risk is managed through the use of Board-approved limits, by offsetting financial assets and liabilities and maintaining matched portfolios of foreign currency financial assets and liabilities and by maintaining currency portfolio long and short gap position.

Management and monitoring of market risks

The principal risk to which non-trading portfolios are exposed is the risk of loss from fluctuations in the future cash flows or fair values of financial instruments because of a change in market interest rates and exchange rates.

Interest rate risk and the other market risks associated with the non-trading portfolio are also monitored by the ALCO and managed in the following way:

(i) Interest rate risk

Interest rate risk is the potential for economic loss due to future interest rate changes within a specified period. It arises when there is a mismatch between interest-earning assets and interest-bearing liabilities. It can be reflected as a loss of future net interest income and/or a decline in current fair values.

The Group manages the risk by monitoring the savings fund to ensure its stability, by monitoring lending activity, by adjusting interest rates to the extent practicable within the overall policy of encouraging long-term savings and facilitating home ownership, and by carefully managing interest margins.

The following table summarises the carrying amounts of financial assets and liabilities in the statement of financial position to arrive at the Group's interest rate gap, based on the earlier of contractual re-pricing and maturity dates.

A summary of the interest rate gap at the reporting date, using historical data as a basis, is as follows:

	Group					
	2024					
	Immediately rate sensitive $'000	Within 3 months $'000	Three to 12 months $'000	Over 12 months $'000	Non-rate sensitive $'000	Total $'000
Cash and cash equivalents	11,877,178	2,214,516	-	-	1,874,703	15,966,397
Jamaica Government Securities	2,799,840	1,704,995	957,465	18,665,503	3,892	24,131,695
Other investments	1,469,310	594,840	1,248,334	17,191,015	8,444,121	28,947,620
Resale agreements	2,022,322	1,649,070	825	-	-	3,672,217
Loans	-	123,682,060	1,702,267	144,836	-	125,529,163
Other assets	-	112,272	677,209	5,165,349	1,279,990	7,234,820
Total financial assets	18,168,650	129,957,753	4,586,100	41,166,703	11,602,706	205,481,912
Savings fund	83,576,118	20,603,165	37,247,793	10,391,840	1,142,658	152,961,574
Due to specialised institution	-	-	-	1,882,974	2,331	1,885,305
Other liabilities	-	1,006,749	-	-	5,832,363	6,839,112
Repurchase agreements	933,613	7,981,437	5,513,177	251,677	28,521	14,708,425
Lease liabilities	-		35,618	899,279	-	934,897
Other borrowings	-	6,362,787	4,943,707	11,609,904	-	22,916,398
Total financial liabilities	84,509,731	35,954,138	47,740,295	25,035,674	7,005,873	200,245,711
Total interest rate sensitivity gap *	(66,341,081)	94,003,615	(43,154,195)	16,131,029	4,596,833	5,236,201
Cumulative gap	(66,341,081)	27,662,534	(15,491,661)	639,368	5,236,201	-

VM GROUP LIMITED

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Year ended December 31, 2024

5. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Market risks (cont'd)

Management and monitoring of market risks (cont'd)

(i) Interest rate risk (cont'd)

A summary of the interest rate gap at the reporting date, using historical data as a basis, is as follows:

	Group 2023					
	Immediately rate sensitive $'000	Within 3 months $'000	Three to 12 months $'000	Over 12 months $'000	Non-rate sensitive $'000	Total $'000
Cash and cash equivalents	4,581,484	-	-	-	6,667,011	11,248,495
Jamaica Government Securities	1,852,169	717,992	2,722,804	19,612,422	2,966	24,908,353
Other investments	40,957	1,720,337	4,676,125	13,038,142	7,188,882	26,664,443
Resale agreements	1,528,941	1,784,753	468,882	-	-	3,782,576
Loans	-	121,930,499	-	-	-	121,930,499
Other assets	-	296,824	1,046,413	3,336,362	3,351,004	8,030,603
Total financial assets	8,003,551	126,450,405	8,914,224	35,986,926	17,209,863	196,564,969
Savings fund	81,700,371	18,227,689	33,099,947	9,201,169	112,062	142,341,238
Due to specialised institution	-	-	-	1,936,552	2,379	1,938,931
Other liabilities	-	-	-	-	4,502,273	4,502,273
Repurchase agreements	743,325	10,657,986	4,947,572	-	-	16,348,883
Lease liabilities	-	-	-	341,454	-	341,454
Other borrowings	4,144	7,066,437	2,383,250	15,986,612	8,277	25,448,720
Total financial liabilities	82,447,840	35,952,112	40,430,769	27,465,787	4,624,991	190,921,499
Total interest rate sensitivity gap *	(74,444,289)	90,498,293	(31,516,545)	8,521,139	12,584,872	5,643,470
Cumulative gap	(74,444,289)	16,054,004	(15,462,541)	(6,941,402)	5,643,470	-

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

	Company 2024					
	Immediately rate sensitive $'000	Within 3 months $'000	Three to 12 months $'000	Over 12 months $'000	Non-rate sensitive $'000	Total $'000
Cash and cash equivalents	1,054	-	-	-	-	1,054
Other investments	-	-	-	-	231,398	231,398
Due from related entities	-	-	-	-	157,125	157,125
Other assets	-	-	-	-	1,021	1,021
Total financial assets	1,054	-	-	-	389,544	390,598
Due to related entities	-	-	-	-	645,595	645,595
Other borrowings	-	-	1,057,095	1,000,000	-	2,057,095
Other liabilities	-	-	-	-	245,335	245,335
Total financial liabilities	-	-	1,057,095	1,000,000	890,930	2,948,025
Total interest rate sensitivity gap *	1,054	-	(1,057,095)	(1,000,000)	(501,386)	(2,557,427)
Cumulative gap	1,054	1,054	(1,056,041)	(2,056,041)	(2,557,427)	-

	Company 2023					
	Immediately rate sensitive $'000	Within 3 months $'000	Three to 12 months $'000	Over 12 months $'000	Non-rate sensitive $'000	Total $'000
Cash and cash equivalents	-	-	-	-	20	20
Total financial assets	-	-	-	-	20	20
Due to related entities	-	-	-	-	235,451	235,451
Other borrowings	-	-	-	1,000,000	-	1,000,000
Other liabilities	-	-	-	-	37,707	37,707
Total financial liabilities	-	-	-	1,000,000	273,158	1,273,158
Total interest rate sensitivity gap *	-	-	-	(1,000,000)	(273,138)	(1,273,138)
Cumulative gap	-	-	-	(1,000,000)	(1,273,138)	-

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

VM GROUP LIMITED

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5. **FINANCIAL RISK MANAGEMENT (CONT'D)**

(b) **Market risks (cont'd)**

Management and monitoring of market risks (cont'd)

(i) Interest rate risk (cont'd)

	Group 2024	
	Increase	Decrease
Jamaica dollar	25 basis points	50 basis points
Foreign currencies	25 basis points	50 basis points
	$'000	$'000
Effect on surplus for the year	420,998	14,626
Effect on reserves	2,275,560	(7,926,181)

	Group 2023	
	Increase	Decrease
Jamaica dollar	25 basis points	25 basis points
Foreign currencies	25 basis points	25 basis points
	$'000	$'000
Effect on surplus for the year	353,232	(3,665,486)
Effect on reserves	948,189	3,370,937

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value of, or the cash flows from, financial instruments will vary because of exchange rate fluctuations in respect of transactions and balances that are denominated in currencies other than the Jamaica dollar. The main currencies giving rise to this risk are the United States dollar (USD), Canadian dollar (CAD) and the British Pound (GBP).

The Group manages this risk by ensuring that the net exposure is kept to an acceptable level through matching foreign currency assets and liabilities as far as practicable. At the reporting date, the net exposure, in nominal currencies, were as follows:

	Group					
	2024			2023		
	USD '000	GBP '000	CAD '000	USD '000	GBP '000	CAD '000
Foreign currency assets	532,173	108,224	15,603	345,803	147,491	13,784
Foreign currency liabilities	(357,647)	(72,495)	(10,637)	(338,360)	(88,828)	(9,731)
Net foreign currency assets	174,526	35,729	4,966	7,443	58,663	4,053

Sensitivity to foreign exchange rate movements

The Group uses the average of Bank of Jamaica's buying and selling rates for balances denominated in foreign currencies [see policy 4(o)]; the rates are as follows:

	2024 J$	2023 J$
United States dollar	155.60	154.27
Pound Sterling	193.11	194.23
Canadian dollar	108.38	116.90

A 1% strengthening of the Jamaica dollar against the relevant currencies at the reporting date would have increased/(decreased) surplus by the amounts shown below. The analysis assumes that all other variables, in particular, interest rates, remain constant.

	Group	
	2024 $'000	2023 $'000
United States Dollar	(271,566)	(11,482)
Pound Sterling	(68,998)	(113,941)
Canadian Dollar	(5,382)	(4,738)
	(345,946)	(130,161)

A 4% (2022: 4%) weakening of the Jamaica dollar against the relevant currencies at the reporting date would have (decreased)/increased surplus by the amounts shown. The analysis assumes that all other variables, in particular, interest rates, remain constant.

VM GROUP LIMITED

Notes to the Financial Statements

Year ended December 31, 2024

5. **FINANCIAL RISK MANAGEMENT (CONT'D)**

(b) **Market risks (cont'd):**

Management and monitoring of market risks (cont'd)

(ii) Foreign currency risk

Sensitivity to foreign exchange rate movements (cont'd)

	Group	
	2024 $'000	2023 $'000
United States Dollar	1,086,265	45,929
Pound Sterling	275,992	455,765
Canadian Dollar	21,528	18,952
	1,383,785	520,646

(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.

The equity securities which the Group holds are listed on the Jamaica Stock Exchange. A 6% (2023: 6%) increase in share prices would result in an increase in surplus of $420,726,000 (2023: $1,740,297,000) for the Group. A 2% (2023: 3%) decrease in share prices would result in a decrease in surplus of $140,332,000 (2023: $870,463,000) for the Group. As at December 31, 2024, the Group holds equity securities classified as fair value through other comprehensive income. A 6% (2023: 6%) increase in share prices would result in an increase in other comprehensive income of $40,800,000 (2023: $30,600,000). A 2% (2023: 3%) decrease in share prices would result in a decrease in other comprehensive income of $13,770,000 (2023: $15,300,000).

There was no change during the year in the nature of the market risks to which the Group is exposed or the way in which it measures and manages these risks.

(c) **Liquidity risk**

Liquidity risk is the risk that the Group is unable to raise cash to settle its financial obligations as they fall due or to meet its lending obligations to maintain public and stakeholder confidence. Liquidity risk could result from the Group's inability to manage unplanned decreases or changes in funding sources and the failure to recognise or address changes in market conditions that affect the Group's ability to liquidate assets quickly and with minimal loss in value. Prudent liquidity risk management requires the Group to maintain sufficient cash and high quality marketable securities, monitor future cash flows and liquidity on a daily basis and have funding available through an adequate amount of committed facilities.

The management of the Group establishes and implements procedures to ensure that the Group maintains sufficient liquidity, including a buffer of unencumbered, high quality liquid assets, to meet liabilities that fall due in the short term; to meet any demands for funds by its members and creditors and to withstand a range of stress events, including those involving loss or impairment of both secured and unsecured funding sources.

The daily liquidity position is monitored by reports covering the positions of the Group. All liquidity policies and procedures are subject to review and approval by the Group Finance and Risk Management Committee.

The building society subsidiary, The Victoria Mutual Building Society is subject to externally imposed liquidity ratios. These ratios are taken into account by management in its measurement and management of liquidity risk.

(i) The key measure used for managing liquidity risk of the Society is the ratio of net liquid assets to prescribed liabilities. For this purpose, liquid assets include cash, cash equivalents and investment in debt securities for which there is an active and liquid market, less any deposits from banks, debt securities issued, other borrowings and commitments maturing within the next month. This calculation is used to measure the Society's compliance with the liquidity limit established by the Bank of Jamaica.

	Ratio of net liquid assets to deposits from customers	
	2024	2023
Regulator's minimum required ratio	5.00%	5.00%

	Ratio of net liquid assets to deposits from customers	
	2024	2023
Actual ratios:		
As at December 31	10.99%	8.24%
Average for the year	10.24%	6.49%
Highest % attained for the year	14.19%	8.24%
Lowest % attained for the year	8.52%	5.00%

VM GROUP LIMITED

Notes to the Financial Statements

Year ended December 31, 2024

5. FINANCIAL RISK MANAGEMENT (CONT'D)

(c) Liquidity risk (cont'd)

(ii) The securities dealer subsidiary, VM Wealth Management Limited, 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. 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 ninety day liquidity gap ratio at the end of the year was as follows:

	Ninety-day liquidity gap ratio	
	2024	2023
Actual ratio	57.00%	67.00%

(iii) Maturity profile

The following table presents the contractual maturity profile of financial assets and liabilities, including interest payments, on the basis of their earliest possible contractual maturity. However, based on historical experience, high-quality liquid assets held in the portfolio are available to mitigate any liquidity exposure that may arise. The Company's liquidity will be supported by dividends from subsidiaries.

	Group						
	2024						
		Contractual undiscounted cash flows					
	Carrying amount $'000	Total cashflow $'000	Within 1 month $'000	One to 3 months $'000	Three to 12 months $'000	One to 5 years $'000	Over 5 years $'000
Financial assets							
Cash and cash equivalents	14,412,464	14,413,545	12,622,430	1,726,213	64,902	-	-
Balances with central Banks	1,553,933	1,582,656	-	-	28,723	-	1,553,933
Jamaica Government securities	24,131,695	25,373,127	2,800,518	1,711,899	610,572	16,174,381	4,075,757
Other investments	28,947,620	31,899,387	1,707,315	1,122,649	5,696,739	10,509,117	12,863,567
Resale agreements	3,672,217	3,857,229	729,599	1,457,721	1,669,909	-	-
Loans	125,529,163	242,412,212	924,462	1,204,359	8,908,016	32,981,092	198,394,283
Other assets	7,234,820	8,442,794	584,131	319,049	2,283,836	5,255,778	-
Total financial assets	205,481,912	327,980,950	19,368,455	7,541,890	19,262,697	64,920,368	216,887,540
Financial liabilities							
Due to savers	152,961,574	182,454,583	83,331,564	18,441,123	41,151,376	37,802,661	1,727,859
Due to specialised institutions	1,885,305	2,315,471	6,830	13,660	61,471	327,846	1,905,664
Other liabilities	6,839,112	7,215,145	1,037,617	6,177,528	-	-	-
Lease liabilities	934,897	1,372,658	4,069	16,809	160,160	745,134	446,486
Repurchase agreement	14,708,425	14,854,941	1,250,785	7,809,444	5,542,987	251,725	-
Other borrowings	22,904,325	25,097,583	-	4,013,422	3,746,021	17,338,140	-
	200,233,638	233,310,381	85,630,865	36,471,986	50,662,015	56,465,506	4,080,009
Unrecognised loan commitments	1,081,193	1,081,193	1,081,193	-	-	-	-
	201,314,831	234,391,574	86,712,058	36,471,986	50,662,015	56,465,506	4,080,009
On statement of financial position gap being total liquidity gap	4,167,081	93,589,376	(67,343,603)	(28,930,096)	(31,399,318)	8,454,862	212,807,531
Cumulative gap	-	-	(67,343,603)	(96,273,699)	(127,673,017)	(119,218,155)	93,589,376

	Group						
	2023						
		Contractual undiscounted cash flows					
	Carrying amount $'000	Total cashflow $'000	Within 1 month $'000	One to 3 months $'000	Three to 12 months $'000	One to 5 years $'000	Over 5 years $'000
Financial assets							
Cash and cash equivalents	9,777,730	9,806,995	8,027,272	1,159,806	619,917	-	-
Balances with central Banks	1,470,766	1,470,766	-	-	-	-	1,470,766
Jamaica Government securities	24,908,353	25,851,538	1,859,906	769,706	2,770,439	8,150,670	12,300,817
Other investments	26,664,443	27,038,163	853,215	920,216	3,089,418	12,573,314	9,602,000
Resale agreements	3,782,576	3,807,880	383,745	1,037,076	2,387,059	-	-
Loans	121,930,499	143,376,154	342,832	12,124,218	1,888,201	6,013,061	123,007,842
Other assets	8,030,603	8,270,175	746,950	3,957,063	3,566,162	-	-
Total financial assets	196,564,970	219,621,671	12,213,920	19,968,085	14,321,196	26,737,045	146,381,425

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Notes to the Financial Statements

Year ended December 31, 2024

5. FINANCIAL RISK MANAGEMENT (CONT'D)

(c) Liquidity risk (cont'd)

(iii) Maturity profile (cont'd)

	Group 2023						
	Carrying amount $'000	Contractual cashflow $'000	Within 1 month $'000	One to 3 months $'000	Three to 12 months $'000	One to 5 years $'000	Over 5 years $'000
Financial liabilities							
Due to savers	142,341,238	144,938,212	82,062,650	18,227,689	33,994,805	9,211,817	1,441,251
Due to specialise institutions	1,938,931	2,812,972	7,848	15,696	65,212	380,318	2,343,898
Other liabilities	3,609,590	3,610,590	1,898,786	1,700,027	11,777	-	-
Lease liabilities	341,454	459,617	3,763	18,439	67,865	276,257	93,293
Repurchase agreement	16,348,883	16,495,099	752,188	10,095,624	5,622,899	24,388	-
Other borrowings	25,448,720	29,767,805	11,112	8,223,622	3,244,484	18,288,587	-
	190,028,816	198,084,295	84,736,347	38,281,097	43,007,042	28,181,367	3,878,442
Unrecognised loan commitments	9,168,821	9,168,821	9,168,821	-	-	-	-
	199,197,637	207,253,116	93,905,168	38,281,097	43,007,042	28,181,367	3,878,442
On statement of financial position gap being total liquidity gap	(2,632,667)	12,368,555	(81,691,248)	(18,313,012)	(28,685,846)	(1,444,322)	142,502,983
Cumulative gap	-	-	(81,691,248)	(100,004,260)	(128,690,106)	(130,134,428)	12,368,555

	Company 2024 Contractual undiscounted cash flows						
	Carrying amount $'000	Total cashflow $'000	Within 1 month $'000	One to 3 months $'000	Three to 12 months $'000	One to 5 years $'000	Over 5 years $'000
Financial assets							
Cash and cash equivalents	1,054	1,054	1,054	-	-	-	-
Other investments	231,398	231,398	231,398	-	-	-	-
Due from related parties	157,125	157,125	157,125	-	-	-	-
Other assets	1,021	1,021	1,021	-	-	-	-
Total financial assets	390,598	390,598	390,598	-	-	-	-
Financial liabilities							
Other liabilities	245,335	245,335	245,335	-	-	-	-
Due to related parties	645,595	645,595	645,595	-	-	-	-
Other borrowings	2,057,095	2,266,690	-	-	1,112,238	1,154,452	-
	2,948,025	3,157,620	890,930	-	1,112,238	1,154,452	-
On statement of financial position gap being total liquidity gap	(2,557,427)	(2,767,022)	(500,332)	-	(1,112,238)	(1,154,452)	-
Cumulative gap	-	-	(500,332)	(500,332)	(1,612,570)	(2,767,022)	(2,767,022)

	Company 2023 Contractual undiscounted cash flows						
	Carrying amount $'000	Total cashflow $'000	Within 1 month $'000	One to 3 months $'000	Three to 12 months $'000	One to 5 years $'000	Over 5 years $'000
Financial assets							
Cash and cash equivalents	20	20	20	-	-	-	-
Total financial assets	20	20	20	-	-	-	-
Financial liabilities							
Other liabilities	37,707	37,707	37,707	-	-	-	-
Due to related parties	235,451	235,451	235,451	-	-	-	-
Other borrowings	1,000,000	1,552,055	-	52,740	93,836	1,405,479	-
	1,273,158	1,825,213	273,158	52,740	93,836	1,405,479	-
On statement of financial position gap being total liquidity gap	(1,273,138)	(1,825,193)	(273,138)	(52,740)	(93,836)	(1,405,479)	-
Cumulative gap	-	-	(273,138)	(325,878)	(419,714)	(1,825,193)	(1,825,193)

There was no change to the Group's approach to managing liquidity risk during the year.

(d) Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Group's processes, personnel, technology and infrastructure, and from external factors other than financial risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour.

The Group's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to its reputation with overall cost effectiveness and to eliminate control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to identify operational risk is assigned to the Executive ERM Committee with oversight given by the Group Finance and Risk Management Committee. This responsibility is supported by overall Group standards for the management of operational risk to minimise exposure to key operational risk areas, including new products and marketing initiatives, continuity of critical services and processes, talent retention and development, information security and internal and external fraud. Where these risks arise, the Group will consider the impact to its reputation and take measures to mitigate the risk, within the context of its relevant risk appetite.

Compliance with Group standards is supported by a programme of periodic reviews undertaken by Group Internal Audit. The results of Internal Audit reviews are discussed with the management of the business unit to which they relate, with summaries submitted to senior management of the Group and the Audit Committees.

VM GROUP LIMITED

Notes to the Financial Statements

Year ended December 31, 2024

6. CAPITAL MANAGEMENT

Capital risk is the risk that the Group fails to comply with mandated regulatory requirements, resulting in a breach of capital adequacy ratios and the possible suspension or loss of one or more licenses. The Group's objectives when managing capital, which is a broader concept than the "capital" mentioned on the face of the statement of financial position are:

- To comply with the capital requirements set by the regulators;
- To safeguard the Company's and its subsidiaries' ability to continue as going concerns, so that the Group can continue to provide benefits for members and other stakeholders; and
- To maintain a strong capital base to support the development of its business.

(a) The Victoria Mutual Building Society

Bank of Jamaica requires that building societies maintain a minimum of 10% of their risk weighted assets in capital.

	2024 $'000	2023 $'000
Regulatory capital	20,999,237	21,046,610
Qualifying capital	18,886,056	19,000,473
On balance sheet risk weighted assets	114,604,901	107,652,931
Off balance sheet risk weighted assets – loan commitments	1,081,193	9,168,821
Foreign exchange exposure	5,162,281	4,176,367
Total risk assessed assets	120,848,375	120,998,119
Risk based capital adequacy ratio	15.63%	15.70%
Regulatory requirement	10.00%	10.00%

(b) VM Pensions Management Limited

VM Pensions Management Limited is regulated by the Financial Services Commission. The subsidiary's regulatory capital position as at the reporting date was as follows:

	2024 $'000	2023 $'000
Tier 1 Capital	282,062	233,124
Risk-weighted assets:		
Operating assets	281,743	250,945
Per statement of financial position	426,524	237,262
Foreign exchange exposure	59,872	250,945
	768,139	739,152

Capital adequacy ratios:	Minimum required		Actual	
	2024	2023	2024	2023
Total regulatory capital/risk-weighted assets	10.00%	10.00%	36.72%	42.53%
Tier 1 Capital/Total regulatory capital	50.00%	50.00%	100.00%	100.00%
Actual capital base/total assets	6.00%	6.00%	45.30%	64.30%

(c) VM Wealth Management Limited

The company's objectives when managing capital are to safeguard the company'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.

VM GROUP LIMITED

Notes to the Financial Statements

Year ended December 31, 2024

6. CAPITAL MANAGEMENT (CONT'D)

(c) VM Wealth Management Limited (cont'd)

The Financial Services Commission ("FSC") stipulates and monitors capital requirements for the non-deposit-taking financial services sector. The FSC requires that the 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.

	2024 $'000	2023 $'000
Tier 1 Capital	4,227,276	4,002,053
Tier 2 Capital	64,000	70,600
Total regulatory capital	4,291,276	4,072,653
Risk weighted assets:		
Per statement of financial position	17,585,664	17,271,770
Foreign exchange exposure	429,536	338,427
	18,015,200	17,610,197
Operational risk-weighted assets	456,744	316,615
	18,471,944	17,926,812

Capital ratios	Minimum required		Actual	
	2024	2023	2024	2023
Total regulatory qualifying capital				
Total risk weighted assets	10.00%	10.00%	23.23%	22.72%
Tier 1 Capital/Total regulatory capital	50.00%	50.00%	98.51%	98.27%
Capital base/Total assets	6.00%	6.00%	19.63%	19.68%

7. CASH RESOURCES

	Group		Company	
	2024 $'000	2023 $'000	2024 $'000	2023 $'000
Cash and cash equivalents for statements of cashflow [see (a)]	14,412,464	9,777,730	1,054	20
Cash reserves held at Bank of Jamaica [see (b)]	1,553,933	1,470,765	-	-
	15,966,397	11,248,495	1,054	20

(a) Cash and cash equivalents represents cash on hand, balances with banks and term deposit with maturity dates less than three months. This includes an impairment of Nil (2023: $10,405,000).

(b) Cash reserves held at Bank of Jamaica represents statutory reserves required by regulation to be held at Bank of Jamaica. They are not available for use by the building society subsidiary in the ordinary course of business. The cash reserve amounts are determined as a percentage of specified liabilities stipulated by Bank of Jamaica. For the cash reserve rate to remain at no more than one per cent of specified liabilities, as defined, the building society subsidiary must have qualifying assets of 40% of specified liabilities.

VM GROUP LIMITED

Notes to the Financial Statements

Year ended December 31, 2024

8. INVESTMENTS - JAMAICA GOVERNMENT SECURITIES

	Group	
	2024	2023
	$'000	$'000
FVOCI		
Securities denominated in United States dollars:		
Bonds	12,603,529	12,841,255
Securities denominated in Jamaica dollars:		
Bonds	7,381,038	8,600,902
Certificates of deposit	848,069	459,785
Treasury bills	1,001	-
	8,230,108	9,060,687
Amortised cost		
Securities denominated in United States dollars:		
Certificates of deposit	4,111	154,269
Securities denominated in Jamaica dollars:		
Bonds	183,266	219,095
Securities denominated in Jamaica dollars:		
Certificates deposit	2,925,000	2,050,000
Treasury bills	185,801	585,281
	3,298,178	3,008,645
	24,131,815	24,910,587
Less: Allowance for impairment on amortised cost-GOJ instruments	(120)	(2,234)
	24,131,695	24,908,353

Government securities mature, in relation to the reporting date, as follows:

	Group	
	2024	2023
	$'000	$'000
Within 3 months	4,491,363	2,572,626
From 3 months to 1 year	987,193	2,774,859
From 1 year to 5 years	8,071,521	8,198,511
Thereafter	10,581,618	11,362,357
	24,131,695	24,908,353

Certain Government of Jamaica securities are pledged by the Group as collateral for repurchase agreements (note 25).

9. INVESTMENTS – OTHER

	Group	
	2024	2023
	$'000	$'000
FVTPL		
Unquoted equities	77,320	77,280
Quoted equities	1,945,815	1,479,017
Bonds	825,656	-
Mandatorily designated:		
Preference shares	806,844	752,597
Units in unit trust funds	5,699,543	4,355,852
	9,355,178	6,664,746
Amortised cost		
Bonds	6,211,412	5,588,625
Treasury bills	1,720,078	2,454,693
Term deposits	1,231,381	709,118
Preference shares	338,435	-
	9,501,306	8,752,436
FVOCI		
Bonds	10,442,827	10,976,635
Ordinary shares - quoted	678,302	510,001
Ordinary shares - unquoted	39	39
	11,121,168	11,486,675
	29,977,652	26,903,857
Less: Allowance for impairment on amortised cost	(1,030,032)	(239,414)
	28,947,620	26,664,443

	Company	
	2024	2023
	$'000	$'000
Amortised cost		
Bonds	1,146,784	-
Less: Allowance for impairment on amortised cost	(915,386)	-
	231,398	-

VM GROUP LIMITED

Notes to the Financial Statements

Year ended December 31, 2024

9. INVESTMENTS – OTHER (CONT'D)

These investments mature, in relation to the reporting date, as follows:

	Group		Company	
	2024 $'000	2023 $'000	2024 $'000	2023 $'000
Within 3 months	2,700,296	1,720,337	231,398	-
From 3 months to 1 year	2,243,248	4,676,125	-	-
From 1 year to 5 years	9,102,528	9,145,855	-	-
Over 5 years/no maturity	14,901,548	11,122,126	-	-
	28,947,620	26,664,443	231,398	-

Equity investment securities designated as at FVOCI

The following table shows investments in equity securities that are designated at FVOCI. The FVOCI designation was made because the investments are expected to be held for the long term.

	Group			
	Fair value		Dividend income recognised	
	2024 $'000	2023 $'000	2024 $'000	2023 $'000
At beginning of the year	510,001	808,350	17,392	-
Net fair value gains/(losses) recognised during the year	168,300	(298,349)	-	-
	678,301	510,001	17,392	-

None of these investments were disposed of during the year ended December 31, 2024, and there were no transfers of any cumulative gain or loss within equity relating to these investments. The change in fair value on these investments was $168,300,000 for the year ended December 31, 2024 (2023: $298,350,000).

10. RESALE AGREEMENTS

Government and corporate securities are purchased under agreements to resell them on specified dates and at specified prices on maturity ('resale agreements').

	Group	
	2024 $'000	2023 $'000
Denominated in Jamaica dollars	2,095,917	1,947,792
Denominated in United States dollars	1,576,387	1,835,386
	3,672,304	3,783,178
Less: Allowance for impairment	(87)	(602)
	3,672,217	3,782,576

The securities obtained as collateral under resale agreements, may themselves be sold under repurchase agreements (see note 25). At December 31, 2024, such securities had a fair value of $5,933,479,000 (2023: $6,460,447,000) for the Group.

VM GROUP LIMITED

Notes to the Financial Statements CONTINUED

Year ended December 31, 2024

11. LOANS

(a) Composition of loans

	Group	
	2024 $'000	2023 $'000
Conventional mortgage loans	98,545,341	97,225,636
Mortgage escrow (see below)	613,969	702,895
Total conventional mortgage loans	99,159,310	97,928,531
Share loans	1,710,109	1,788,567
Corporate loans	2,662,326	1,410,441
Auto loans	7,268,121	8,100,223
Unsecured loans	12,484,965	382,183
Consumer escrow	26,066	27,690
Specialised loans	1,981,309	12,108,456
Staff loans	722,339	576,443
Staff loans escrow	24	-
Margin loans	200,178	201,150
Credit cards	992,608	639,553
Total gross carrying value of loans	127,207,355	123,163,237
Less: Allowance for impairment	(667,131)	(364,177)
Deferred originating fees	(1,011,061)	(868,561)
Total loans, net	125,529,163	121,930,499

Mortgage escrow represents insurance premiums paid by the building society subsidiary on behalf of mortgagors. These amounts are recoverable over one year and are collected as part of monthly mortgage instalments.

(b) Allowance for impairment

	Group	
	2024 $'000	2023 $'000
Balances at the beginning of the year	364,177	313,172
Loans written off	-	(25,893)
Foreign exchange movement	(146)	6,793
Net remeasurement of allowance for ECL	303,100	70,105
Balances at the end of the year [see (c) below]	667,131	364,177

(c) The total expected loss allowance is broken down as follows:

	Group	
	2024 $'000	2023 $'000
Regulatory loan loss provision	4,529,303	3,454,590
Less: Impairment allowance based on IFRS 9 [see (b) above]	(667,131)	(364,177)
Credit facility reserve at end of year	3,862,172	3,090,413

(d) Loan principal repayments and mortgage escrow payments are projected to be received, in relation to the reporting date, as follows:

	Group	
	2024 $'000	2023 $'000
Within three months	2,071,282	363,469
3 months to 1 year	7,140,039	8,684,560
From 1 year to 5 years	14,157,634	10,648,820
Thereafter	102,160,208	102,233,650
	125,529,163	121,930,499

VM GROUP LIMITED

Notes to the Financial Statements CONTINUED

Year ended December 31, 2024

11. LOANS (CONT'D)

(e) Movement in deferred originating fees :

	Group	
	2024	2023
	$'000	$'000
At beginning of the year	868,561	734,193
Additions	316,840	270,311
Amortisation	(174,340)	(135,943)
At end of the year	1,011,061	868,561

12. DUE TO RELATED ENTITIES

Due to related entities represent balances held by subsidiaries and other related entities in the ordinary course of business. The balances are unsecured, interest free and due within three months.

	Group		Company	
	2024	2023	2024	2023
	$'000	$'000	$'000	$'000
Due from related entities:				
Due from subsidiaries+	-	-	157,125	-
Due to related entities:				
Due to subsidiaries+	-	-	645,595	235,450

+ These amounts will be settled from dividend income and management fees received from subsidiaries.

13. OTHER ASSETS

	Group		Company	
	2024	2023	2024	2023
	$'000	$'000	$'000	$'000
Margin & other loans receivable	4,004,827	4,974,027	-	-
Interest receivable	1,336,552	1,852,335	-	-
Rent receivable	28,985	53,110	-	-
Late fees	236,488	148,233	-	-
Customers' receivable	617,825	423,537	-	-
Sundry receivables	1,812,331	1,339,896	1,021	-
	8,037,008	8,791,138	1,021	-
Less allowance for impairment	(779,185)	(713,352)	-	-
Deferred origination fees	(23,003)	(47,183)	-	-
	7,234,820	8,030,603	1,021	-
Tax recoverable	1,536,527	1,343,546	727	-
Prepayment	245,843	379,050	-	-
	9,017,190	9,753,199	1,748	-

The balances are reflected net of expected credit loss allowance as follows:

	Group	
	2024	2023
	$'000	$'000
At beginning of the year	713,352	513,817
Increase in allowance	130,590	204,003
Write offs	(64,757)	(4,468)
At end of the year	779,185	713,352

	2024	2023
	$'000	$'000
Movement in deferred origination fees		
At beginning of the year	47,183	73,755
Additions	12,294	21,589
Amortisation	(36,474)	(48,161)
At end of the year	23,003	47,183

VM GROUP LIMITED

Notes to the Financial Statements

Year ended December 31, 2024

14. DEFERRED TAX ASSETS AND LIABILITIES

(a) Deferred tax assets and liabilities are attributable to the following:

	Group					
	Assets		Liabilities		Net	
	2024	2023	2024	2023	2024	2023
	$'000	$'000	$'000	$'000	$'000	$'000
Investment securities	900,925	882,869	-	-	900,925	882,869
Other receivables	3,761	45,743	-	-	3,761	45,743
Property, plant and equipment	602,254	426,609	-	-	602,254	426,609
Loan origination fees	(220,258)	-	-	-	(220,258)	-
Investment property	-	(300)	-	-	-	(300)
Right of use assets	(18,147)	(21,914)	-	-	(18,147)	(21,914)
Lease liability	42,800	42,161	-	-	42,800	42,161
Other liabilities	147,388	74,895	(10,526)	(10,793)	136,862	64,102
Tax loss	580,115	50,650	-	-	580,115	50,650
Employee benefits assets	(421,143)	(385,383)	-	-	(421,143)	(385,383)
Employee benefits obligation	323,899	252,813	-	-	323,899	252,813
Unrealised gains on units in unit trust	(26,300)	-	-	-	(26,300)	-
Unrealised foreign exchange loss	6,843	321	-	-	6,843	321
	1,922,137	1,368,464	(10,526)	(10,793)	1,911,611	1,357,671

	Company	
	2024	2023
	$'000	$'000
Interest payable	53,836	7,962
Property, plant and equipment	(1,556)	-
	52,280	7,962

The Company recognises deferred tax asset based on management's assumption that there will be sufficient future taxable profits against which the assets can be utilised. Embedded in the Group's strategic framework are specific and timebound action plans, designed at enabling the Company to pursue and capitalise on growth and profit making opportunities.

(b) Movement in net temporary differences during the year are as follows:

	Group 2024			
	January 1, 2024	Recognised in income	Recognised in OCI	December 31, 2024
	$'000	$'000 (note 38)	$'000	$'000
Investment securities	882,869	28,454	(10,398)	900,925
Other receivables	45,743	(41,982)	-	3,761
Property, plant and equipment	426,609	175,645	-	602,254
Loan origination fees	-	(220,258)	-	(220,258)
Investment property	(300)	300	-	-
Right of use assets	(21,914)	3,767	-	(18,147)
Lease liability	42,161	639	-	42,800
Other liabilities	64,102	72,760	-	136,862
Tax loss	50,650	529,465	-	580,115
Employee benefits assets	(385,383)	29,490	(65,250)	(421,143)
Employee benefits obligation	252,813	12,646	58,440	323,899
Unrealised gains on units in unit trust	-	(26,300)		(26,300)
Unrealised foreign exchange loss	321	6,522	-	6,843
	1,357,671	571,148	(17,208)	1,911,611

VM GROUP LIMITED

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Year ended December 31, 2024

14. DEFERRED TAX ASSETS AND LIABILITIES (CONT'D)

(b) Movement in net temporary differences during the year are as follows (cont'd):

	Group 2023			
	January 1, 2023 $'000	Recognised in income $'000 (note 38)	Recognised in OCI $'000	December 31, 2023 $'000
Investment securities	683,008	262,145	(62,284)	882,869
Other receivables	59,597	(13,854)	-	45,743
Property, plant and equipment	323,888	102,721	-	426,609
Investment property	-	(300)	-	(300)
Right of use assets	(18,147)	(3,767)	-	(21,914)
Lease liability	34,264	7,897	-	42,161
Other liabilities	54,522	9,580	-	64,102
Tax loss	-	50,650	-	50,650
Employee benefits assets	(223,803)	(15,210)	(146,370)	(385,383)
Employee benefits obligation	198,452	30,276	24,085	252,813
Unrealised foreign exchange loss	(4,413)	4,734	-	321
	1,107,368	434,872	(184,569)	1,357,671

	Company 2024			
	January 1, 2024 $'000	Recognised in income $'000 (note 38)	Recognised in OCI $'000	December 31, 2024 $'000
Property, plant and equipment	-	(1,556)	-	(1,556)
Interest payable	7,962	45,874	-	53,836
	7,962	44,318	-	52,280

In prior year, an amount of $7,962,000 was recognised in income for the Company (see note 38).

15. EMPLOYEE BENEFITS ASSET/OBLIGATION

The Group operates a defined-benefit plan, under which retirement benefits are calculated by reference to, *inter alia,* final salary. The plan is subject to a triennial actuarial funding valuation, the most recent performed as at December 31, 2022. For purposes of determining the employee benefit asset or obligation included in the financial statements at the end of the period and the costs for the period, an IAS 19 actuarial valuation is done each year. The Group also provides post-employment medical benefits to retirees.

(i) Employee benefits asset

The amounts in the statement of financial position in respect of the defined-benefit pension plans and post-employment medical benefits are as follows:

	Group	
	2024 $'000	2023 $'000
Employee benefits asset (i)	1,403,811	1,284,611
Other post-employment benefits (ii)	1,140,300	868,600

(a) Amount recognised in the statement of financial position

	Group	
	2024 $'000	2023 $'000
Present value of funded obligations	(8,321,100)	(7,918,000)
Fair value of plan assets	9,724,911	9,202,611
	1,403,811	1,284,611

VM GROUP LIMITED

Notes to the Financial Statements

Year ended December 31, 2024

15. EMPLOYEE BENEFITS ASSET/OBLIGATION (CONT'D)

(i) Employee benefits asset

(b) Movements in the present value of defined benefit obligations

	Group 2024 $'000	Group 2023 $'000
Balance at beginning of year	7,918,000	4,506,500
Benefits paid	(337,900)	(260,200)
Employee contributions (basic and voluntary)	216,600	208,800
Interest cost	864,500	569,400
Service cost	234,900	62,000
Remeasurement (gain)/loss arising from:		
Financial assumptions	(575,000)	2,831,500
Balance at end of year	8,321,100	7,918,000

(c) Movement in plan assets

	Group 2024 $'000	Group 2023 $'000
Fair value of plan assets at beginning of year	9,202,611	9,109,211
Contributions paid into the plan	218,000	210,300
Benefits paid by the plan	(337,900)	(260,200)
Net interest income on plan assets	1,005,900	1,181,100
Remeasurement loss on assets included in other comprehensive income	(363,700)	(1,037,800)
Fair value of plan assets at end of year	9,724,911	9,202,611

	Group 2024 $'000	Group 2023 $'000
Plan assets consist of the following:		
Equity securities	3,697,000	3,382,000
Government securities	3,228,000	3,387,300
Real estate fund	2,162,000	1,965,500
Other assets	637,911	467,811
	9,724,911	9,202,611

All equity and government securities have quoted prices in active markets. All government securities are issued by Jamaican government.

(d) (Credit)/charge recognised in the income statement, net

	2024 $'000	2023 $'000
Service costs	234,900	62,000
Interest on obligation	864,500	569,400
Interest on effect of asset ceiling	-	501,400
Net interest income on plan assets	(1,005,900)	(1,181,100)
	93,500	(48,300)

(e) Charge/(credit) recognised in other comprehensive income, net

	Group 2024 $'000	Group 2023 $'000
Remeasurement gain on obligations	(575,000)	2,831,500
Remeasurement gain on assets	363,700	1,037,800
Change in effect of asset ceiling	-	(4,358,100)
	(211,300)	(488,800)

(f) Principal financial assumptions at the reporting date (expressed as weighted averages)

	Group 2024 %	Group 2023 %
Discount rate at December 31	9.5	11.0
Future salary increases	9.5	6.0
Future pension increases	4.0	6.0

VM GROUP LIMITED

Notes to the Financial Statements

Year ended December 31, 2024

15. EMPLOYEE BENEFITS ASSET/OBLIGATION (CONT'D)

(i) Employee benefits asset (cont'd)

(g) Sensitivity analysis

A one percentage (2022: one-half percentage) point change at the reporting date to one of the relevant financial assumptions, holding other assumptions constant, would have affected the defined benefit obligations by amounts shown below:

	Group			
	2024		2023	
	1 % point increase $'000	1 % point decrease $'000	1% point increase $'000	1% point decrease $'000
Financial assumptions				
Discount rate	(1,044,000)	1,352,000	(1,013,000)	1,313,300
Rate of salary escalation	766,000	(658,000)	448,700	(387,600)
Future rate of pension	469,000	(405,000)	742,800	638,900

(h) The Group expects to pay $1,600,000 in contributions to the defined-benefit plan in 2024.

(ii) Other post-employment benefits

The employee benefits obligation represents the present value of the constructive obligation to provide medical and other benefits to retirees.

(a) Movement in present value of defined benefit obligation

	Group	
	2024 $'000	2023 $'000
Present value of obligation at the start of the year	868,600	716,100
Interest cost	93,600	91,000
Current service cost	27,100	14,000
Benefits paid	(37,800)	(34,300)
Remeasurement loss arising from:		
Financial assumptions	188,800	81,800
	1,140,300	868,600

(b) Charge recognised in the income statement

	Group	
	2024 $'000	2023 $'000
Interest cost	93,600	91,000
Current service cost	27,100	14,000
	120,700	105,000

(c) Items in other comprehensive income

	Group	
	2024 $'000	2023 $'000
Remeasurement loss on obligation	188,800	81,800

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

	Group	
	2024 %	2023 %
Financial assumptions:		
Discount rate	9.5	11.0
Medical claims growth	8.0	8.0

Statistical assumptions:

Assumptions regarding future mortality are based on published statistics and mortality tables. The average remaining life expectancy of an individual retiring at age 65 is 21 years for males and 26 years for females.

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Notes to the Financial Statements

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15. EMPLOYEE BENEFITS ASSET/OBLIGATION (CONT'D)

(ii) Other post-employment benefits (cont'd)

(e) Sensitivity to changes in financial assumptions

A one percentage (2023: one-half percentage) point change at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by amounts shown below:

	Group			
	2024		2023	
	1% point increase $'000	1% point decrease $'000	1% point increase $'000	1% point decrease $'000
Medical cost trend rate and rate of salary escalation	181,200	(144,100)	118,400	(96,100)
Discount rate	(142,100)	180,200	(92,900)	116,000

16. INTEREST IN SUBSIDIARIES

	Group		Company	
	2024 $'000	2023 $'000	2024 $'000	2023 $'000
Shares, at cost [see note 1(c)]	-	-	18,624,846	18,624,846

17. INTEREST IN ASSOCIATES

(a) The carrying amount of interest in associated companies represents the cost of shares acquired and the Group's share of post-acquisition reserves in British Caribbean Insurance Company Limited (BCIC), Carilend Caribbean Holdings Limited and Kingston Properties Limited (KPREIT), as follows:

	Group	
	2024 $'000	2023 $'000
Shares, at cost	3,816,619	3,536,211
Share of post-acquisition comprehensive Income less dividends	1,053,844	1,205,088
	4,870,463	4,741,299

(b) Group's share of profit is analysed out as follows:

	Group	
	2024 $'000	2023 $'000
British Caribbean Insurance Company Limited	262,078	277,750
Kingston Properties Limited (KPREIT)	193,370	164,411
	455,448	442,161

(c) The following table summarises the financial information of BCIC. The table also reconciles the summarised financial information to the carrying amount of the Group's interest in this associate.

	Group	
	2024 $'000	2023 $'000
Percentage ownership interest	44.17%	44.45%
Assets	17,153,972	30,625,158
Liabilities	(11,203,926)	(24,789,547)
Net assets (100%)	5,950,046	5,835,611
Proportionate share of BCIC net assets	2,628,135	2,593,929
Intangible assets recognised on acquisition -		
Trade name and customer relationships	202,016	317,743
Goodwill	110,367	110,367
Carrying amount of interest in BCIC	2,940,518	3,022,039

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17. INTEREST IN ASSOCIATES (CONT'D)

(c) (Cont'd)

	Group 2024 $'000	Group 2023 $'000
Revenue	21,695,945	17,039,256
Profit for the year	593,340	624,859
Other comprehensive loss, net of tax	(56,332)	43,534
Total comprehensive income	537,008	668,393
Group's share of profit of year	262,078	277,750
Share of other comprehensive loss	(24,882)	19,351
Group's share of total comprehensive income	237,196	297,101
Dividend	829,197	-
Group share dividend	309,901	-

The balances used for BCIC in the prior reporting period were provisional and thus the amounts presented then were on a provisional basis. During the year, the purchase price allocation (PPA) was completed for BCIC. Consequently, there was no update to carrying value previously reported. The only impact was to split goodwill from intangible asset.

(d) The following table summarises the financial information of Carilend. The table also reconciles the summarised financial information to the carrying amount of the Group's interest in this associate.

	Carilend 2024 $'000
Percentage ownership interest	30%
Assets	1,329,135
Liabilities	(1,795,780)
Net Liabilities (100%)	(466,645)
Proportionate share of net liabilities	(139,994)
Carrying amount of interest associate	54,863
Revenue	321,630
Profit for the year and total comprehensive income	109,143
Group's share of profit for year and total comprehensive income	-
Impairment reversal	54,638

The interest in Carilend for 2023 is not considered material for similar disclosure.

The total of the unrecognised share of losses of the associate since the entity became an associate in August 2019 is $72,299,666 (2023: $105,042,666). In addition, the share of profits of $32,743,000 for the year will not be recognised until the previously unrecognised share of losses have been fully absorbed.

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17. INTEREST IN ASSOCIATES (CONT'D)

(e) The following table summarises the financial information of KPREIT. The table also reconciles the summarised financial information to the carrying amount of the Group's interest in this associate.

	Group	
	2024 $'000	2023 $'000
Percentage ownership interest in KPREIT	23%	23%
Non-current assets	12,550,102	10,322,387
Current assets	924,396	623,920
Total assets	13,474,498	10,946,307
Non-current liabilities	(4,824,510)	(3,221,889)
Current liabilities	(587,778)	(338,927)
Total liabilities	(5,412,288)	(3,560,816)
Net Assets (100%)	8,062,210	7,385,491
Proportionate share of KPREIT net assets	1,854,309	1,698,664
Goodwill and intangible asset recognised on acquisition	20,774	20,596
Carrying amount of interest in KPREIT	1,875,083	1,719,260
Revenue	1,474,158	1,083,830
Profit from continuing operations	840,737	714,832
Share of profit from continuing operations	193,370	164,411

The fair value of the interest in KPREIT indicated by its quoted price on the Jamaica Stock Exchange as at December 31, 2024 was J$1,921,939,000 (2023: J$1,637,208,000).

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

(f) The following table provides a movement in the carrying value of BCIC, KPREIT and Carilend:

	BCIC		KPREIT		Carilend	
	2024 $'000	2023 $'000	2024 $'000	2023 $'000	2024 $'000	2023 $'000
At beginning of year	3,022,039	2,096,763	1,719,260	1,576,198	-	-
Acquisition/(disposal)	(8,816)	628,175	-	-	-	-
Impairment loss reversal	-	-	-	-	54,638	-
Share of profit	262,078	277,750	193,370	164,411	-	-
Share of OCI	(24,882)	19,351	-	-	-	-
Foreign currency adjustment	-	-	14,647	37,772	225	-
Dividends	(309,901)	-	(52,195)	(59,121)	-	-
At end of year	2,940,518	3,022,039	1,875,082	1,719,260	54,863	-

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18. INTANGIBLE ASSETS

	Group				
	Goodwill $'000	Access rights $'000	Computer software $'000	Work in progress $'000	Total $'000
Cost					
December 31, 2022	609,214	-	4,039,794	1,342,530	5,991,538
Additions	-	-	76,553	510,183	586,736
Transfers from property, plant and equipment	-	-	104,684	(53,373)	51,311
December 31, 2023	609,214	-	4,221,031	1,799,340	6,629,585
Additions	-	56,017	45,376	706,732	808,125
Disposal	-	-	(56,806)	-	(56,806)
Transfers from WIP		-	594,175	(594,175)	-
Write-off	-	-	18,189	(66,916)	(48,727)
December 31, 2024	609,214	56,017	4,821,965	1,844,981	7,332,177
Amortisation					
December 31, 2022	-	-	2,516,330	-	2,516,330
Charge for the year	-	-	596,777	-	596,777
Transfers from property, plant and equipment	-	-	4,091	-	4,091
December 31, 2023	-	-	3,117,198	-	3,117,198
Charge for the year	-	2,801	492,134	-	494,935
Eliminated on disposal	-	-	(33,705)	-	(33,705)
December 31, 2024	-	2,801	3,575,627	-	3,578,428
Carrying value					
December 31, 2024	609,214	53,216	1,246,338	1,844,981	3,753,749
December 31, 2023	609,214	-	1,103,833	1,799,340	3,512,387

	Company		
	Computer software $'000	Work in progress $'000	Total $'000
Cost			
December 31, 2023	-	-	-
Additions	41,509	232,593	274,102
December 31, 2024	41,509	232,593	274,102
Amortisation			
December 31, 2023	-	-	-
Charge for year	2,743	-	2,743
December 31, 2024	2,743	-	2,743

	Company		
	Computer software $'000	Work in progress $'000	Total $'000
Carrying value			
December 31, 2024	38,766	232,593	271,359
December 31, 2023	-	-	-

Goodwill comprises the excess of cost over fair value of the net assets of VM Pensions Management Limited acquired in 2013. In testing goodwill for impairment, the recoverable amount of the cash-generating unit is estimated based on value-in-use. Where the recoverable amount exceeds the carrying amount, no impairment allowance is made. The recoverable amount of the cash-generating unit is arrived at by estimating the future cash flows and discounting those cash flows using long-term discount rates applicable to Jamaica.

Future sustainable cash flows are estimated based on the most recent projections, after taking account of past experience. The cash flow projections include specific estimates for each of the five years following the reporting date, and a terminal value thereafter. These annual estimates and the terminal value are calculated using an assumed growth rate.

The key assumptions used in the discounted cash flow projections are as follows:

	Group	
	2024 %	2023 %
Discount rate	14.3	14.2
Growth rate	1.6	1.5

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19. INVESTMENT AND FORECLOSED PROPERTIES

	Group		
	Investment properties $'000	Foreclosed properties $'000	Total $'000
Cost			
December 31, 2022	568,655	27,186	595,841
Additions	95,866	16,867	112,733
Transfer from property, plant and equipment	566	-	566
Disposals	(75,309)	(16,868)	(92,177)
December 31, 2023	589,778	27,185	616,963
Additions	45,483	122,642	168,125
Disposals	(29,339)	(108,020)	(137,359)
December 31, 2024	605,922	41,807	647,729

	Group		
	Investment properties $'000	Foreclosed properties $'000	Total $'000
Depreciation			
December 31, 2022	46,255	27,186	73,441
Charge for the year	4,186	3,383	7,569
Eliminated on disposals	(4,603)	(3,497)	(8,100)
December 31, 2023	45,838	27,072	72,910
Charge for the year	3,397	2,118	5,515
Eliminated on disposals	(1,999)	(27,263)	(29,262)
December 31, 2024	47,236	1,927	49,163
Net book values			
December 31, 2024	558,686	39,880	598,566
December 31, 2023	543,940	113	544,053

The fair values of properties were determined, in the case of properties acquired by way of foreclosure, by several different VMBS-approved qualified independent property valuers, having appropriate recognised professional qualifications and recent experience in the locations and categories of the property being valued, and, in the case of investment properties, by management. This fair value measurement has been categorised as Level 3, based on the inputs to the valuation techniques used.

(a) Reconciliation of opening to closing fair value

	Group						
	2022 $'000	Additions $'000	Disposal $'000	2023 $'000	Addition $'000	Disposal $'000	2024 $'000
Investment properties	1,699,104	524,630	(71,526)	2,152,208	51,491	(506,917)	1,696,782
Foreclosed properties	568,076	-	(34,868)	533,208	150,000	(520,708)	162,500
	2,267,180	524,630	(106,394)	2,685,416	201,491	(1,027,625)	1,859,282

(b) Valuation techniques and significant unobservable inputs

The fair value of investment properties was determined generally by the comparison method, taking account of what similar properties in similar locations have been sold for in the recent past (or near similar properties and locations, with appropriate adjustments made) and current market conditions.

(c) Amounts recognized in profit or loss

The property rental income earned by the Group from investment properties which are leased under operating leases amounted to $58 million (2023: $38.6 million). Direct operating expenses, arising from the investment property that generated rental income during the year, amounted to $83.8 million (2023: $148.9 million).

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20. PROPERTY, PLANT AND EQUIPMENT

	Group					
	Right-of-use on leasehold properties	Freehold land and buildings	Office furniture and equipment	Motor vehicles	Work in progress	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Cost						
December 31, 2022	584,285	1,253,383	3,156,596	53,225	869,734	5,917,223
Additions	4,943	-	133,188	-	262,158	400,289
Disposals	(47,185)	-	(102,901)	-	-	(150,086)
Transfer to investment property	-	(566)	-	-	-	(566)
Transfer to intangible asset	-	-	(45,843)	-	(5,468)	(51,311)
December 31, 2023	542,043	1,252,817	3,141,040	53,225	1,126,424	6,115,549
Additions	678,763	7,428	94,060	7,894	133,511	921,656
Disposals	-	(628,955)	(173,298)	(165)	(146,637)	(949,055)
Transfers from WIP	-	328,936	337,776	-	(666,712)	-
December 31, 2024	1,220,806	960,226	3,399,578	60,954	446,586	6,088,150
Depreciation						
December 31, 2022	213,411	255,825	2,147,006	18,252	-	2,634,494
Charge for year	75,964	55,001	196,147	10,528	-	337,640
Transfer to intangible asset	-	-	(4,093)	-	-	(4,093)
Eliminated on disposals	(27,507)	(341)	(79,180)	-	-	(107,028)
December 31, 2023	261,868	310,485	2,259,880	28,780	-	2,861,013
Charge for year	95,613	271,947	221,178	11,030	-	599,768
Eliminated on disposals	-	(310,864)	(116,345)	(165)	-	(427,374)
December 31, 2024	357,481	271,568	2,364,713	39,645	-	3,033,407
Net book values						
December 31, 2024	863,325	688,658	1,034,865	21,309	446,586	3,054,743
December 31, 2023	280,175	942,332	881,160	24,445	1,126,424	3,254,536

Included in leasehold, freehold land and building is land with cost of $38,500,000.

	Company		
	Computer equipment	Work in progress	Total
	$'000	$'000	$'000
Cost			
December 31, 2023	-	-	-
Additions	14,527	24,995	39,522
December 31, 2024	14,527	24,995	39,522
Depreciation			
December 31, 2023	-	-	-
Charge for year	438	-	438
December 31, 2024	438	-	438
Net book values			
December 31, 2024	14,089	24,995	39,084

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21. REGULAR SAVINGS

	Group	
	2024	2023
	$'000	$'000
Regular savings	142,347,736	135,037,827
Deferred shares	147,570	335,513
	142,495,306	135,373,340

On February 1, 2023, the right of the savers was transferred from the building society subsidiary to VM Group Limited under the Restructuring arrangement. This means that General investment ('B') and ('C') shares were converted to regular savings accounts.

Regular savings are accounts for which the building society subsidiary does not have rights to notice of withdrawal. They also include amounts which mature on a specified date and are generally term deposits.

The deferred shares are paid up capital, interest bearing and an original term to maturity of five (5) years or more.

Included in Regular savings are accounts with the following maturity profile:

	Group	
	2024	2023
	$'000	$'000
On demand to 3 months	104,010,373	99,941,375
Three to 12 months	37,247,793	33,099,947
Over 12 months	1,237,140	2,332,018
	142,495,306	135,373,340

22. DEPOSITORS' SAVINGS

	Group	
	2024	2023
	$'000	$'000
On demand to 3 months	1,311,568	1,264,552
Over 12 months	9,154,700	5,703,346
Due to depositors	10,466,268	6,967,898

23. DUE TO SPECIALISED INSTITUTION

	Group	
	2024	2023
	$'000	$'000
Conventional mortgage loans	1,885,305	1,938,931

This represents the balance of loans disbursed by the National Housing Trust under joint financing arrangements with borrowers of the Group.

24. OTHER LIABILITIES

	Group		Company	
	2024	2023	2024	2023
	$'000	$'000	$'000	$'000
Deposits – private treaty sales	70,417	2,286	-	-
Customers' and clients' funds	3,730,880	2,731,575	-	-
Accrued expenses	1,766,117	964,747	245,335	37,707
Other payables	1,378,678	1,667,274	-	-
	6,946,092	5,365,882	245,335	37,707

25. REPURCHASE AGREEMENTS

The Group sells government and corporate securities, or interests therein, and agrees to repurchase them on specified dates and at specified prices prior to their maturity ("repurchase agreements").

	Group	
	2024	2023
	$'000	$'000
Denominated in Jamaica dollars	4,979,798	9,342,511
Denominated in United States dollars	9,435,779	6,780,570
Denominated in Sterling	292,848	225,802
	14,708,425	16,348,883

Securities obtained under resale agreements and certain investments (see notes 8 and 9) and interest accrued thereon are pledged as collateral for repurchase agreements. These financial instruments have a fair value of $15,213,562,000 (2023: $17,517,970,428) for the Group.

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26. OTHER BORROWINGS

	Group 2024 $'000	Group 2023 $'000	Company 2024 $'000	Company 2023 $'000
Deferred shares (note 21)	1,684,060	2,398,619	-	-
Bank facility (i)	761,198	4,610,386	-	-
Fixed rate bonds (ii), (iii)	8,264,645	7,506,412	-	-
Preference shares (iv)	10,444,422	10,933,303	-	-
Corporate loan (v)	1,750,000	-	2,057,095	1,000,000
	22,904,325	25,448,720	2,057,095	1,000,000

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

	Group 2024 $'000	Group 2023 $'000
Balance as at 1 January	25,448,720	16,835,550
Proceeds from other borrowings	3,776,595	20,617,342
Repayments of borrowings	(6,312,292)	(11,874,157)
	22,913,023	25,578,735
Other changes:		
Transaction costs incurred	(8,698)	(130,015)
Balances as at 31 December	22,904,325	25,448,720

	Company 2024 $'000	Company 2023 $'000
Balance as at 1 January	1,000,000	-
Proceeds from other borrowings	1,105,095	1,000,000
Repayments of borrowings	(48,000)	-
Balances as at 31 December	2,057,095	1,000,000

(i) These are comprised of the following:

I. A revolving facility agreement with a major UK bank to provide external funding for the UK subsidiary lending business. The maximum facility amount is GBP$30,000,000 (JMD$5,825,625,000) of which Nil [2023: GBP 16,000,000 (JMD$ 3,107,000,000)] had been drawn down as at December 31, 2024. The balance of $3.1B from the prior year was repaid during the current reporting period.

II. Three loans from the Development Bank of Jamaica received by VM Investments Ltd. during 2023 for the total of $560,000,000. The loans are broken down as follows:

- $50,000,000 with a maturity period of 4 years with an interest rate of 10.99%
- $300,000,000 with a maturity period of 1 year with an interest rate of 9%. This loan was repaid during the year.
- $210,000,000 with a maturity period of 1 year with an interest rate of 9%. This loan was repaid during the year.

The last two loans received in 2021 and 2022 are as follows:

- $550,000,000 received in October 2021, with a maturity period of 5 years with monthly interest payments and an initial two -year principal payment moratorium.
- $750,000,000 received in November 2022 with a maturity period of 5 years attracting an interest rate of 7.5% per annum.

(ii) These are comprised of fixed and variable rate unsecured bonds issued by the company. Two bonds were issued in 2024 from a J$721 million bond issue. Of this amount, J$513 million was reinvested from maturing bonds, with net proceeds aggregating $208 million. The J$721 million bonds issue less the transactional costs were as follows:

- $229,640,000 Tranche A – $228,778,000 variable rate 10.00% plus 90 days WATBY with a maturity date of April 1, 2027.

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26. OTHER BORROWINGS (CONT'D)

(ii) (Cont'd):

- $251,500,000 Tranche B – $250,871,000 fixed rate 11.50% with a maturity date of October 1, 2025.
- $189,726,000 Tranche A – $188,962,000 variable rate 10.00% plus 90 days WATBY with a maturity date of June 30, 2027.
- $2,000,000 Tranche A(ii) – $2,000,000 fixed rate 10.00 with a maturity date of June 30, 2027.
- $48,168,000 Tranche B – $47,966,000 fixed rate 10.75% with a maturity date of June 30,2027.

Funds of J$1,454,632,000, net of transaction costs, were received from an initial public offering in December 2024 from a J$5.43 billion bond issue. The J$5,433,466,000 bond was closed on January 10, 2025 as follows:

- Tranche D – $2,031,730,000 fixed rate 9.75% with a maturity date of June 27, 2026.
- Tranche E – $1,928,253,000 fixed rate 10.00% with a maturity date of December 27, 2026.
- Tranche F–$1,473,983,000 variable rate 10.50% (plus 90 days WATBY) with a maturity date of December 27, 2027.

Bonds totaling J$1.63 billion were redeemed during the year. The maturing bonds in December 2024 were extended to January 29, 2025 to participate in the J$5.43 billion bond which closed on January 10, 2025.

(iii) This represents short to medium term debt obligations of the building society subsidiary. These loans mature within 12 months and attracts annual interest rates of 7.5% (2023: 9.5%).The Society made repayments of $480M and received proceeds of J$1.3B.

(iv) On April 28, 2023 VM Financial Group Limited issued three classes of preference shares at a price of J$100 per share for an aggregate subscription of $11,000,000,000. The features of each class of preference share are shown in the table below.

Class	Coupon rate per annum	Dividend payments	Tenor	Allotment value
Fixed Rate Class A	10%	Cumulative/ Quarterly	36 months	7,000,000,000
Floating Rate Class B	Government of Jamaica (GOJ) 3 month weighted average Treasury Bill yield +3%	Cumulative/ Quarterly	24 months	2,000,000,000
Floating Rate Class C	(60) first 24 months after issue at 12.50%. thereafter GOJ 3 month weighted average Treasury bill yield +3%	Cumulative/ Quarterly	60 months	2,000,000,000

The significant terms and conditions of the preference shares are as follows:

(i) The right to a cumulative preferential dividend payable monthly at a rate agreed for each class.
(ii) The right, on winding up, to receive all arrears of dividend and repayment of capital in priority to the ordinary stockholders; and
(iii) No right to vote, except where dividends are not paid for twelve months or on winding up of the company.

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Notes to the Financial Statements

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26. OTHER BORROWINGS (CONT'D)

(v) These are comprised of the following:

I. In September 2023, the VM Group Limited obtained a loan of $1 billion from the VM Financial Group Limited, which was used to finance its indirect investment in VM Real Estate Holdings Limited. VM Real Estate Holdings Limited is wholly owned by VM Innovations Limited, a subsidiary of VM Group Limited. The loan bears interest at a rate of 7% per annum. Interest is payable and due at maturity date. The maturity date of the loan is March 30, 2028.

II. On November 30, 2024, the VM Group Limited obtained a loan of $731 million from the VM Financial Group Limited. The loan bears interest at a rate of 7% per annum. Interest is payable and due at maturity date. The maturity date of the loan is September 30, 2025. The current balance on the loan at reporting date is $683 million.

III. On June 28, 2024, the VM Group obtained a loan of $189M from VM Money Transfer Services Limited. VM Money Transfer Limited is a wholly owned subsidiary of VM Financial Group Limited. The loan bears interest at a fixed rate of 7% per annum. Interest is payable and due at maturity date. The loan was set to mature on November 29, 2024 but has been extended to September 30, 2025.

IV. On March 28, 2024, the VM Group Limited obtained a loan of $ 100 million from VM Real Estate Holdings Limited. VM Real Estate Holdings Limited is wholly owned by VM Innovations Limited, a subsidiary of VM Group Limited. The loan bears interest at a fixed rate of 7% per annum. Interest and principal balance is due on maturity date of March 28, 2026. The loan is secured by a promissory note.

V. On June 28, 2024, the VM Group Limited obtained a loan of $ 85 million from VM Innovations Limited its wholly owned subsidiary. The loan bears interest at a fixed rate of 7% per annum. Interest and principal balance is due on maturity date of September 30, 2025. The loan is secured by a promissory note.

VI. On June 6, 2024, the VM Real Estate Holdings Limited obtained a loan of $ 1billion from VM Wealth Management Limited Unit Trust. The loan bears interest at a fixed rate of 8.70% per annum. Interest and principal balance is due on maturity date of June 2.2025. The facility is unsecured.

27. LEASES – IFRS 16

The Group leases office and commercial space. The leases typically run for a period of five years, with options to renew. Right-of-use of assets are presented as leasehold properties and property, plant and equipment (see note 20). Information about lease liabilities for which Group is a lessee is presented below.

Maturity analysis – contractual undiscounted cash flows:

	Group	
	2024	2023
	$'000	$'000
Less than one year	188,371	90,087
One to five years	771,324	275,655
More than five years	446,486	93,891
	1,406,181	459,633

	Group	
	2024	2023
	$'000	$'000
Carrying amount of lease liabilities:		
Current	150,064	65,747
Non-current	784,833	275,707
	934,897	341,454

(a) Amounts recognised in profit or loss

	Group	
	2024	2023
	$'000	$'000
Leases under IFRS 16:		
Interest on lease liabilities	60,876	34,516

(b) Amounts recognised in statement of cash flows:

	Group	
	2024	2023
	$'000	$'000
Lease interest payments	60,876	34,516
Lease principal payments	70,994	79,102
Total cash outflow for leases	131,870	113,618

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27. LEASES – IFRS 16 (CONT'D)

(c) 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 Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options and reassesses this conclusion if there is a significant event or significant changes in circumstances within its control.

At commencement date the Group includes the lease liability for extension options which it is reasonably certain to exercise.

(d) Reconciliation of movements of lease obligations to cash flow arising from financing activities.

	Group	
	2024	2023
	$'000	$'000
Balance at beginning of the year	341,454	417,348
Additions	725,313	37,724
Lease payments	(70,994)	(79,102)
Lease interest expense	(60,876)	(34,516)
Balance at the end of year	934,897	341,454

(e) Leases as lessor

The Group leases out investment property consisting of commercial properties. All leases are classified as operating leases from a lessor perspective. The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be paid at the reporting date.

	Group	
	2024	2023
	$'000	$'000
One to two years	7,307	83,312
Two to three years	10,732	36,620
Three to four years	8,695	13,015
Four to five years	7,926	13,015
More than five years	-	4,658
	34,660	150,620

28. SHARE CAPITAL

	Group and Company	
	2024	2023
	$'000	$'000
Stated:		
Authorised Membership Shares – Unlimited		
Issued Membership Shares		
1 Share (2023: 1 Share)	7,746,058	7,746,058

The share capital of the company was determined by the court approved Scheme of Arrangement effective February 1, 2023 which allowed for the cancellation of the shares in each subsidiary (see note 1) and the issuance of new shares in each subsidiary of the Company. The membership rights of all members of The Victoria Mutual Building Society were cancelled and VM Group Limited, in turn, issued and accorded Membership Shares in VM Group Limited.

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Year ended December 31, 2024

29. RESERVES

(i) Reserve fund

The Banking Services Act and Regulations require the Victoria Mutual Building Society to transfer at least 15% of its net surplus after income tax each year to the reserve fund until the amount of the reserve fund is equal to the amount paid up on its Permanent Capital Fund which, though not formally recognised, is the fund substituted for the capital shares referred to in the Regulations (see note 30) and its deferred shares (note 21).

(ii) Retained earnings reserve

The Regulations permit the Victoria Mutual Building Society to transfer a portion of its profits to a retained earnings reserve, which constitutes a part of the capital base (see note 30). Transfers of profits to the retained earnings reserve are made at the discretion of the Directors, but must be communicated to the Bank of Jamaica to be effective.

As per page 34, Section 4.57 (c) (ii) of the Scheme of Arrangement approved by the Court, Bank of Jamaica and members at the Members' Meeting held August 9, 2022, the liability in the Statement of Financial Position represented by 15-year Dormant Accounts amounting to $1,200,000,000, was extinguished and transferred to the Retained Earnings Reserve.

A register has been established of the members of the Victoria Mutual Building Society comprising these dormant accounts aged 15 years and older. If any such member shall thereafter make contact with the Victoria Mutual Building Society, the account will be re-activated and will be accorded full membership rights to title and interest in the restored account in the same manner as if the account were never extinguished.

(iii) Non-distributable reserve

This represents the transfer of net accumulated remeasurement gains on the Group's employee benefits assets and obligations.

(iv) Credit facility reserve

Credit facility reserve represents provisions for loan losses required under the Building Societies Act in excess of the requirements of IFRS [see notes 4(n)(i) and 11(c)].

(v) Investment revaluation reserve

Investment revaluation reserve represents cumulative unrealised gains, net of losses, arising from the changes in fair value of investments measured at fair value through other comprehensive income until the investment is derecognised or impaired.

(vi) Currency translation reserve

The currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations as well as from the translation of liabilities that hedge the Company's net investment in foreign operations.

30. REGULATORY CAPITAL

	Group	
	2024	2023
	$'000	$'000
Ordinary share capital (note 28)	7,746,058	7,746,058
Reserve fund [note 29(i)]	1,825,079	1,684,509
Retained earnings reserve [note 29(ii)]	7,225,160	7,225,160
Deferred shares (note 21)	147,570	335,513
Total regulatory capital [note 6(a)]	16,943,867	16,991,240

"Regulatory capital" has the meaning ascribed in the Regulations.

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31. NON-CONTROLLING INTEREST

The following table summarises information relating to the Group's material non-controlling interest (NCI) in VMIL, before any intra-group eliminations:

(a) Statement of financial position

	Group	
	2024 $'000	2023 $'000
Total assets	30,455,151	29,506,794
Total liabilities	(27,329,595)	(27,006,585)
Net assets	3,125,556	2,500,209
Carrying amount of NCI	625,111	500,042
NCI percentage	20%	20%

(b) Profit and loss account and other comprehensive income:

	Group	
	2024 $'000	2023 $'000
Revenue	4,151,052	3,532,565
Profit	555,722	198,843
Other comprehensive income/(loss)	197,125	(137,205)
Total comprehensive income	752,847	61,638
Group's share of total comprehensive income	602,278	49,310
Profit allocated to NCI	111,144	39,769
Other comprehensive profit/(loss) allocated to NCI	39,425	(27,441)
Total comprehensive income allocated to NCI	150,569	12,328
Dividend paid [see note 43]	(25,500)	-

(c) Statement of cash flows

	Group	
	2024 $'000	2023 $'000
Cash flows from/(used) in operating activities	312,557	(3,290,914)
Cash flows from investment activities	605,002	317,926
Cash flows (used)/from financing activities	(328,285)	2,651,527
Net increase/(decreased) in cash and cash equivalents	589,274	(321,461)

32. FAIR VALUE OF FINANCIAL INSTRUMENTS

(a) Definition and measurement of fair values

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. In 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 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. The different levels in the hierarchy have been defined as follows:

Level 1 Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.

Level 2 refers to financial assets and financial liabilities that are measured using a valuation technique based on assumptions that are supported by prices from observable current market transactions, and for which pricing is obtained via pricing services, but where prices have not been determined in an active market. This includes financial assets with fair values based on broker quotes, investments in funds with fair values obtained via fund managers, and assets that are valued using a model whereby the majority of assumptions are market observable.

Level 3 refers to financial assets and financial liabilities that are measured using non-market observable inputs. This means that fair values are determined in whole or in part using a valuation technique (model) based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

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Notes to the Financial Statements

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32. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONT'D)

(b) Valuation techniques for investment securities classified as Level 2

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

Type	Valuation techniques	Significant Unobservable input	Range of estimates (weighted average) for unobservable input	Fair value measurement sensitivity to unobservable inputs
J$ denominated securities issued or guaranteed by the Government of Jamaica and Bank of Jamaica.	• Obtain bid yield from yield curve provided by a recognised pricing source (which uses market-supplied indicative bids); • Using this yield, determine price using accepted formula; and • Apply price to estimate fair value.	• There are no significant unobservable inputs		
US$ denominated Government of Jamaica securities, Foreign government securities, public sector securities, deferred shares and corporate bonds.	• Obtain bid price provided by a recognised broker/dealer, namely, Oppenheimer; and • Apply price to estimate fair value.	• There are no significant unobservable inputs		
Units in unit trust funds	• Obtain prices quoted by unit trust managers; and • Apply price to estimate fair value.	• Net asset value	• Investment based	• A significant increase in the expected cash flows would result in a high fair value.
Unquoted equities	• Discounted cash flow	• Expected net cash flows derived from the entity	• Investment based	• A significant increase in the expected cash flows would result in a higher fair value.
Convertible preference shares Call options	• Fair value determined by discounting the future expected cashflows using the after-tax cost of debt of 9.85% (2023: 10.36%, as previously reported) • Applying the Black Scholes merton formula	• Risk-adjusted discount rate • Expected net cash flows derived from the entity	• Spread of 5.83% (2023: 7.85% above risk-free interest rate • Investment based	• A significant increase in the spread above the risk-free rate would result in a lower fair value. A significant increase in the expected cash flows would result in a higher fair value.

(c) Accounting classifications and fair values

- The fair value of cash and bank balances and other assets is assumed to approximate to carrying amount. These securities are classified in Level 2.
- The carrying values of due to specialised institutions, other borrowings, repurchase agreements and lease liabilities approximate to their fair values as these liabilities are carried at amortised cost, reflecting their contractual obligations and the interest rates are reflective of current market rates for similar transactions.
- The fair values of regular savings and depositor's savings with no specific maturity are considered to be the amount payable on demand as at the reporting date; the fair values of fixed-term interest bearing deposits are based on discounted cash flows using interest rates for new deposits. These securities are classified in Level 2.
- The fair value of fixed rate loans is estimated by comparing actual interest rates on the loans to current market rates offered on similar loans. For match-funded loans the fair value is assumed to be equal to their carrying value, as gains and losses offset each other. Changes in the credit quality of loans within the portfolio are not taken into account in determining gross fair values, and the impact of credit risk is recognised separately. The fair values are estimated using discounted cash flow analysis with current market rates.

(d) Level 3 fair values

In respect of Level 3 instruments, the group recognised in the profit or loss, total gains of $371,705,000 (2023: $301,849,000) as a result of the effects of fair value and foreign exchange rate movements.

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

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32. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONT'D)

	Group		
	Convertible preference shares $'000	Unquoted equities $'000	Total $'000
Balance at 1 January 2023	-	81,250	81,250
Additions	435,276	-	435,276
Disposal	-	(4,068)	(4,068)
Net change in fair value	301,849	-	301,849
Effect of changes in foreign exchange	15,472	137	15,609
Balance at 31 December 2023	752,597	77,319	829,916
Additions	220,157	-	220,157
Disposal	(532,319)	-	(532,319)
Recognition of call option	360,903		360,903
Effect of changes in foreign exchange	5,506	40	5,546
Balance at 31 December 2024	806,844	77,359	884,203

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

		Group 2024							
		Carrying amount				Fair value			
	Note	FVOCI $'000	Fair value through profit or loss $'000	Amortised cost $'000	Total $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial assets									
Cash	7	-	-	14,412,464	14,412,464	-	14,412,464	-	14,412,464
Balances with Central Bank	7	-	-	1,553,933	1,553,933	-	1,553,933	-	1,553,933
Resale Agreement	10	-	-	3,672,217	3,672,217	-	5,933,479	-	5,933,479
Other assets	13	-	-	8,037,008	8,037,008	-	8,037,008	-	8,037,008
Government of Jamaica	8	20,833,637	-	3,298,058	24,131,695	-	24,131,695	-	24,131,695
Preference shares	9		806,844	338,435	1,145,279		338,435	806,844	1,145,279
Ordinary shares - quoted	9	678,302	1,945,815	-	2,624,117	2,624,117	-		2,624,117
Ordinary shares - unquoted	9	39	77,320	-	77,359		-	77,359	77,359
Bonds	9	10,442,827	825,656	6,211,412	17,479,895	-	17,479,895	-	17,479,895
Treasury bills				1,720,078	1,720,078		1,720,078		1,720,078
Loans	11	-	-	125,529,163	125,529,163	-	-	125,529,163	125,529,163
Term deposits	9	-	-	1,231,381	1,231,381	-	1,231,381	-	1,231,381
Units in unit trust funds	9	-	5,699,543	-	5,699,543	-	5,699,543	-	5,699,543
		31,954,805	9,355,178	166,004,149	207,314,132	2,624,117	80,537,911	126,413,366	209,575,394
Financial liabilities									
Due to specialised institutions	22	-	-	1,885,305	1,885,305	-	1,885,305	-	1,885,305
Other borrowings	26	-	-	22,904,325	22,904,325	-	22,904,325	-	22,904,325
Repurchase agreements	25	-	-	14,708,425	14,708,425	-	15,213,562	-	15,213,562
Lease liabilities	27	-	-	934,897	934,897	-	934,897	-	934,897
		-	-	40,432,952	40,432,952	-	40,938,089	-	40,938,089

		Group 2023							
		Carrying amount				Fair value			
	Note	FVOCI $'000	Fair value through profit or loss $'000	Amortised cost $'000	Total $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial assets									
Cash	7	-	-	9,777,730	9,777,730	-	9,777,730	-	9,777,730
Balances with Central Bank	7	-	-	1,470,766	1,470,766	-	1,470,766	-	1,470,766
Resale Agreement	10	-	-	3,782,576	3,782,576	-	6,460,446	-	6,460,446
Other assets	13	-	-	8,030,603	8,030,603	-	8,030,603	-	8,030,603
Government of Jamaica	8	21,901,941	-	3,006,862	24,908,353	-	24,908,353	-	24,908,353
Preference shares	9	-	752,597	-	752,597	-	-	752,597	752,597
Ordinary shares - quoted	9	510,001	1,479,017	-	1,989,018	1,989,018	-	-	1,989,018
Ordinary shares - unquoted	9	39	77,280	-	77,319	-	-	77,319	77,319
Bonds	9	10,976,635	-	5,588,625	16,565,260	-	16,608,654	-	16,608,654
Loans	11	-	-	121,930,499	121,930,499	-	-	121,930,499	121,930,499
Term deposits	9	-	-	709,118	709,118	-	709,118	-	709,118
Units in unit trust funds	9	-	4,355,852	-	4,355,852	-	4,355,852	-	4,355,852
		33,388,616	6,664,746	154,296,779	194,349,691	1,989,018	72,321,522	122,760,415	197,070,955
Financial liabilities									
Due to specialised institutions	22	-	-	1,938,931	1,938,931	-	1,938,931	-	1,938,931
Other borrowings	26	-	-	25,448,720	25,448,720	-	25,448,720	-	25,448,720
Repurchase agreements	25	-	-	16,348,883	16,348,883	-	17,517,970	-	17,517,970
Lease liabilities	27	-	-	341,454	341,454	-	341,454	-	341,454
		-	-	44,077,988	44,077,988	-	45,247,075	-	45,247,075

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32. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONT'D)

(e) (Cont'd)

		Company 2024							
		Carrying amount				Fair value			
	Note	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									
Cash	8	-	-	1,054	1,054	-	1,054	-	1,054
Bonds		-	-	231,398	231,398	-	231,398	-	231,398
Due from related entities		-	-	157,125	157,125	-	157,125	-	157,125
Other assets		-	-	1,021	1,021	-	1,021	-	1,021
		-	-	390,598	390,598	-	390,598	-	390,598
Financial liabilities									
Due to related entities	13	-	-	645,595	645,595	-	645,595	-	645,595
Other liabilities	25	-	-	245,335	245,335	-	245,335	-	245,335
Other borrowings	27	-	-	2,057,095	2,057,095	-	2,057,095	-	2,057,095
		-	-	2,948,025	2,948,025	-	2,948,025	-	2,948,025

		Company 2023							
		Carrying amount				Fair value			
	Note	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									
Cash	8	-	-	20	20	20	-	-	20
Financial liabilities									
Due to related entities	13	-	-	235,451	235,451	-	235,451	-	235,451
Other liabilities	25	-	-	37,707	37,707	-	37,707	-	37,707
Other borrowings	27	-	-	1,000,000	1,000,000	-	1,000,000	-	1,000,000
		-	-	1,273,158	1,273,158	-	1,273,158	-	1,273,158

During the year, the Group experienced fair value gains related to instruments that are measured at FVOCI amounting to $200,122,000 (2023: $193,757,000). The change is as a result of market conditions such as discount rates, yields and other macro-economic factors that affect the fair values.

33. NET INTEREST INCOME/(EXPENSE)

	Group		Company	
	2024	2023	2024	2023
	$'000	$'000	$'000	$'000
Interest income, calculated using the effective interest method:				
Investment securities	4,773,236	4,679,959	59	-
Loans to customers	8,697,643	7,748,096	-	-
	13,470,879	12,428,055	59	-
Interest expense				
Repurchase agreements	(822,421)	(994,692)	-	-
Borrowings	(2,435,236)	(1,725,828)	(191,949)	(31,849)
Shareholders' savings	(3,172,755)	(3,276,609)	-	-
Depositors' savings	(526,247)	(527,445)	-	-
	(6,956,659)	(6,524,574)	(191,949)	(31,849)
Net interest income/(expenses)	6,514,220	5,903,481	(191,890)	(31,849)

34. NET FEE AND COMMISSION INCOME

	Group		Company	
	2024	2023	2024	2023
	$'000	$'000	$'000	$'000
Fee and commission income				
Customers	2,407,876	2,077,040	-	-
Associated company	131,569	110,479	-	-
Other	333,003	228,258	-	-
	2,872,448	2,415,777	-	-
Fee and commission expenses				
Inter-bank transaction fees	(114,217)	(137,436)	-	-
Credit card fees	(59,299)	(50,721)	-	-
Other	(147,182)	(131,213)	-	-
	(320,698)	(319,370)	-	-
Net fee and commission income	2,551,750	2,096,407	-	-

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35. OTHER OPERATING REVENUE

	Group 2024 $'000	Group 2023 $'000	Company 2024 $'000	Company 2023 $'000
Foreign exchange trading gains/(losses), net	1,135,029	682,355	(13)	-
Fees for late payments	219,744	141,837	-	-
Rent	93,327	55,565	-	-
Dividends - other	77,239	65,683	-	-
Impairment reversal on associate	54,638	-	-	-
Management fees	-	-	368,318	-
Gain on investment activities	1,636,618	1,437,631	-	-
Gains/(losses) on disposal of property, plant and equipment	1,745,947	(65,769)	-	-
Unrealised fair value gains on quoted equites and units held in unit trust	766,219	59,493	-	-
Other income	52,787	212,734	-	-
	5,781,548	2,589,529	368,305	-

36. PERSONNEL COSTS

	Group 2024 $'000	Group 2023 $'000	Company 2024 $'000	Company 2023 $'000
Salaries	4,298,942	3,174,747	-	13,623
Statutory payroll contributions	390,768	404,935	-	2,329
Group life, pension and health insurance contributions note	281,938	387,645	-	-
Termination payments	35,044	28,714	-	-
Other staff benefits	1,388,650	1,395,340	-	3,076
	6,395,342	5,391,381	-	19,028

Other staff benefits include training, health and wellness cost, uniform and performance appraisal and profit related benefits. In 2024, the structure of the Group assigned all staff to VM Financial Group Limited.

37. OTHER OPERATING EXPENSES

	Group 2024 $'000	Group 2023 $'000	Company 2024 $'000	Company 2023 $'000
Asset taxes	450,146	434,184	-	-
Overseas business development	204,066	227,782	-	-
Irrecoverable GCT	419,914	422,679	-	-
Marketing	396,043	449,481	-	-
Computer maintenance	1,261,505	951,221	781	-
Maintenance – buildings, furniture and fixtures	320,717	302,064	-	-
Insurance	335,730	249,938	33,460	-
Administration	922,285	387,050	147,565	-
Postage, courier and stationery	155,057	164,666	-	-
Electricity, water and telephone	189,613	255,304	-	-
Consultancy and other professional fees	573,077	548,437	25,653	-
Audit fees - current	283,066	153,695	5,995	12,507
- prior	159,633	-	5,725	-
Directors' fees [note 39(d)]	110,240	95,854	11,787	9,753
Security	100,348	122,905	-	-
Direct operating expenses for investment property that generated rental income	83,803	104,694	-	-
Credit card expenses	87,519	67,058	-	-
	6,052,762	4,937,012	230,966	22,260

VM GROUP LIMITED

Notes to the Financial Statements

Year ended December 31, 2024

38. INCOME TAX EXPENSE

(a) Income tax expense is based on the profit for the year, as adjusted for tax purposes, and is computed at statutory rates of 33⅓% for company and regulated local subsidiaries, 30% for building society subsidiary and 25% for certain foreign and local non-regulated subsidiaries. In computing taxable income of the building society subsidiary, transfers to general reserves (as defined in the Income Tax Act) are exempt from income tax if the general reserves after such transfers do not exceed 5% of assets. The charge is made up as follows:

	Group		Company	
	2024	2023	2024	2023
	$'000	$'000	$'000	$'000
(i) Current tax expense:				
Current tax at 30%	14,984	-	59,936	-
Current tax at 15%, 25% and 33½%	350,604	303,092	(375)	-
Provision for current year	(375)	-	-	-
Adjustment for prior year's over provision	(83,845)	(5,158)	-	-
	281,368	297,934	59,561	-
(ii) Deferred tax credit:				
Origination and reversal of other temporary differences [notes 14(a) and (b)]	(571,148)	(434,872)	(44,318)	(7,962)
Actual tax expense recognised	(289,780)	(136,938)	15,243	(7,962)

(b) Reconciliation of actual tax charge

The effective tax rate, that is, the income tax expense as a percentage of the reported profit, is different from the statutory rates [note (a)] being 54% (2023: 27%) for the Group and 2% (2023: 1%) for the Company. The actual income tax expense differs from the expected income tax expense for the year, as follows:

	Group		Company	
	2024	2023	2024	2023
	$'000	$'000	$'000	$'000
Profit/ (loss) before income tax	533,669	(511,592)	(973,118)	(73,137)
Computed "expected" income tax at 30%	221,013	(105,375)	-	-
Computed "expected" income tax at 25%, 15% & 33⅓%	(82,780)	107,672	(183,870)	(24,379)
Computed "expected" income tax at 25%	98,464	91,675	-	-
	236,697	93,972	(183,870)	(24,379)
Tax effect of treating the following items differently for income tax than for financial statement purposes:				
Tax exempt income	(221,002)	(170,209)	(375)	-
Prior year tax losses recognised as deferred tax assets	(406,826)	(26,516)	-	16,417
Other	185,196	(29,027)	199,488	-
	(205,935)	(131,780)	15,243	(7,962)
Adjustment for prior years over provision	(83,845)	(5,158)	-	-
Actual tax (credit)/expense recognised	(289,780)	(136,938)	15,243	(7,962)

(c) As at December 31, 2024, subject to the agreement of the Commissioner General, Tax Administration Jamaica, tax losses available for set off against future profits amounted to $1,256,717,003 (2023: $1,745,450,020) If unutilised, these losses can be carried forward indefinitely, however, the amount that can be utilised is restricted to 50% of the chargeable income in any one year.

VM GROUP LIMITED

Notes to the Financial Statements

Year ended December 31, 2024

39. RELATED PARTY TRANSACTIONS

(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, joint control or significant influence over the Group;

(2) is a member of the key management personnel of the Group.

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

(1) 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).

(2) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(3) Both entities are joint ventures of the same third party.

(4) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(5) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.

(6) The entity is controlled, or jointly controlled by a person identified in (i).

(7) A person identified in (i)(1) 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).

(8) The entity, or any member of a group of which it is part, provides key management personnel services to the group.

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

(b) Identity of related parties

The Company has related party relationships with its parent company, fellow subsidiaries, direct and indirect subsidiaries, associated companies, directors, executives, and senior officers of those entities. The directors, senior officers and executives are collectively referred to as "key management personnel".

(c) The amounts of related party transactions, outstanding balances at the year end, and related income and expenses for the year are as follows:

	Group					
					Total	
	Fellow subsidiaries $'000	Directors and key management personnel $'000	Associates $'000	Connected entities $'000	2024 $'000	2023 $'000
Other assets (note 13):						
Sundry receivable	-	-	73,758	-	73,758	70,548
Loans (i)						
Balance at December 31	-	567,765	-	-	567,765	578,261
Interest income earned	-	31,813	-	-	31,813	30,754
Regular savings (ii)						
Balance at December 31	-	(211,981)	-	(34,995)	(246,976)	(1,269,187)
Interest expense on savings	-	(2,907)	-	(1,170)	(4,077)	(100,905
Other borrowings [note 26 (v) (vi)]						
Balance at December 31	-	-	-	(1,000,000)	(1,000,000)	(1,000,000)
Interest expense on borrowings	-	-	-	(39,302)	(39,302)	(235,450)
Investments/repurchase agreements (iii)						
Other investments						
[note 1(c), (ii)]	-	-	338,434	-	338,435	-
Interest earned/(paid) investments	-	31,813	-	-	31,813	-
Other						
Share profits [note 17 (b)]	-	-	455,448	-	455,448	442,161
Director fees (note 37)	-	-	(110,240)	-	(110,240)	(95,854)
Sale/(purchase of associate shares						
[note 1(c) (ii), 17(g)]	-	-	(413,674)	-	(413,674)	(628,174)
Other operating income:						
Other income	-	-	-	49,270	49,270	-
Contribution to VM Foundation	-	-	-	-	(87,599)	(50,000)

VM GROUP LIMITED

Notes to the Financial Statements

Year ended December 31, 2024

39. RELATED PARTY TRANSACTIONS (CONT'D)

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

	Company				
				Total	
	Subsidiaries $'000	Fellow subsidiaries $'000	Directors and key management personnel $'000	2024 $'000	2023 $'000
Due from [note 12]					
Balance at December 31	157,125	-	-	157,125	-
Due from/(to) [note 12]					
Balance at December 31	(645,595)	-	-	(645,595)	(235,450)
Cash and cash equivalents **(ii)**					
Balance at December 31	1,054	-	-	1,054	20,000
Interest expense on savings	59	-	-	59	-
Other borrowings [note 26 (v) I - V]					
Balance at December 31	(2,057,095)	-	-	(2,057,095)	(1,031,849)
Interest expense on borrowings	(191,949)	-	-	(191,949)	(31,849)
Other					
Director fees (note 37)	-	(11,787)	-	(11,787)	(9,753)
Purchase of investment securities (note 9)	231,398	-	-	231,398	-
Other operating income					
Management fees (note 35)	368,318	-	-	368,318	-
Other operating expenses:					
Contribution to VM Foundation	-	-	87,599	87,599	-

(i) Average interest rates charged on loans are lower than the rates that would be charged in an arm's length transaction. Interest rates on these loans range from 0.1% to 3.5% and is repayable based on agreed terms. The mortgages and secured loans granted are secured on the property of the respective borrowers. Other balances are not secured and no guarantees have been obtained.

(ii) Regular savings pay average interest rates of 0.02% to 0.65% on savings and 0.40% to 2.2% on fixed deposits.

(iii) Resale agreements held with related parties mature before first quarter 2025 with an average coupon rate of 5%. – 5.35%. Repo liability matures in the first quarter 2025 with an average coupon rate of 5% - 5.63%.

Resale agreements, repurchase agreements, investment securities and loans receivable transactions with related parties have been conducted in the ordinary course of the Group's business at rates and on terms comparable to those with customers that are not related to the Group. Other balances due to or from related parties are unsecured, interest free, and due for settlement within three months after the reporting date. There was no impairment loss recognised on related party balances during the reporting period.

(iv) During the year, The Victoria Mutual Building Society purchased loan portfolio from VM Finance UK Ltd amounting to $12.3 billion.

(v) During the year, The Victoria Mutual Building Society sold foreclosed properties with carrying amount of $52.9M to VM Property Services Limited and VM Real Estate Holdings Limited.

(vi) The management fee that subsidiaries pay to the parent company for services is determined by the following:

Services	Basis of recharge
Shared staff cost	Allocated based on the approved budget for the fiscal year.
Operating expenses and unallocated staff costs	Allocated based on subsidiaries' share of total equity.
Interest expense recharge on capital allocated to subsidiary	Allocated based on subsidiaries' proportion of capital raised by parent company

(d) In addition to directors' fees paid to non-executive directors (note 37), compensation of key management personnel, included in personnel costs (note 36), is as follows:

	Group	
	2024 $'000	2023 $'000
Short-term employee benefits	843,755	936,783
Post-employment benefits	16,242	25,326
	859,997	962,109

Those key management personnel under the defined benefit pension plan (Note 15), in addition to their salaries, are provided with non-cash benefits as well as post-employment benefits. In accordance with the rules of the plan, key management personnel, executive directors retire at age 62 (or 65 if joining after January 1, 2006) and may continue to receive medical benefits, at the discretion and approval of the Board of Directors. In the case of preferential staff rates on loans, this benefit continues to age 65 when the rate is adjusted with reference to market.

Under the Victoria Mutual Building Society's rules, retired non-executive directors who have served the Board continuously for at least five years and have attained the age of 65 receive a pension at a specified percentage of the gross annual average director's fee received during the five years immediately preceding retirement, or alternatively, a gratuity in lieu of pension, based on a percentage of the annual pensions.

VM GROUP LIMITED

Notes to the Financial Statements

Year ended December 31, 2024

40. CAPITAL COMMITMENTS

Commitments for capital expenditure for the Group amount to approximately $1,033,267,000 (2023: $772,034,370). This is to be funded by revenue earned.

41. MANAGEMENT FUNDS AND CUSTODIAL ARRANGEMENTS

Victoria Mutual Wealth Management Limited acts as agent and earns fees for managing clients' funds on a non-recourse basis under management agreements. The Group has no legal or equitable right or interest in these funds and, accordingly, they have been excluded from the financial statements. At December 31, 2024, these funds amounted to $37,408,507,000 (2023: $33,162,493,000). Additionally, at December 31, 2024, there were custodial arrangements for assets totalling $55,268,097,000 (2023: $25,231,703,000.)

Victoria Mutual Pensions Management Limited is responsible for funds under management in respect of segregated and pooled pension funds. Total value of pension assets under management at December 31, 2024 is $70,600,000,000 (2023: $62,800,000,000).

42. SCHEME OF ARRANGEMENT

In the previous year under the court approved "Scheme of Arrangement" the following transactions were effected to recognise VM Financial Group Limited. This is consistent with the accounting policy adopted in the financial statement of the ultimate parent, VM Group Limited and all companies within the group. As such, the adjustments were as follows:

(a) Interest in financial services subsidiary companies were transferred from Victoria Mutual Building Society (VMBS) to the VM Financial Group Limited through a process of cancellation of the shares previously held and reissuing the same number of shares to VM Financial Group Limited on February 1, 2023.

(b) Interest in the associated company, British Caribbean Insurance Company Limited (BCIC) was also transferred from VMBS to VM Financial Group Limited on February 1, 2023.

(c) The membership rights of all members of the Society were cancelled and VM Group Limited, in turn, issued and accorded Membership Rights in VM Group Limited, to all Members of the Society on February 1, 2023.

(d) The Company as at February 1, 2023, determined the net asset value of VMBS is to be $17,424,846,000. The breakdown of the net assets was as follows:

	$'000
Ordinary share capital	7,746,058
Reserve fund	1,684,509
Retained earnings reserve	7,225,160
Non-distributable reserve	(446,131)
Credit facility reserve	2,569,620
Investment valuation reserve	(1,364,370)
General reserve	10,000
	17,424,846

43. DIVIDEND

On June 28, 2024 and November 25,2024, the Board of Directors of VM Investments Limited 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.

VM GROUP LIMITED

Notes to the Financial Statements

Year ended December 31, 2024

44. RECLASSIFICATION

For the purpose of presentation, in the statement of cash flows, resale and repurchase agreements previously shown as investing activities have now been correctly classified as operating activities. The following table summarises the impact on the Group's statements of cash flows.

	Group		
	December 31, 2023		
	As previously presented	Reclassification	Current presentation
	$'000	$'000	$'000
Resale agreements	-	(1,666,180)	(1,666,180)
Repurchase agreements	-	(1,388,883)	(1,388,883)
Other items	(5,246,853)	-	(5,246,853)
Net cash used in operating activities	(5,246,853)	(3,055,063)	(8,301,916)
Resale agreements	(1,666,180)	1,666,180	-
Repurchase agreements	(1,388,883)	1,388,883	-
Other items	(926,631)	-	(926,631)
Net cash from investing activities	(3,981,694)	3,055,063	(926,631)
Net cash from financing activities	8,534,068	-	8,534,068
Net decrease in cash and cash equivalents	(694,479)	-	(694,479)
Cash and cash equivalents at beginning of year	9,940,143	-	9,940,143
Effect of exchange rate fluctuation on cash held	532,066	-	532,066
Cash and cash equivalents at end of year	9,777,730	-	9,777,730

Corporate **Data**

External Auditors

KPMG Chartered Accountants

Bankers

- CIBC First Caribbean International Bank of Jamaica Ltd.
- Citibank N.A. (Jamaica Branch)
- National Commercial Bank Jamaica Ltd.
- Sagicor Bank Jamaica Ltd.
- Bank of Jamaica

Panel of Attorneys-At-Law

- Delroy Chuck & Company
- DunnCox
- Phillips, Malcolm, Morgan & Matthies
- O.G. Harding & Company
- Livingston, Alexander & Levy
- Murray & Tucker
- Myers, Fletcher & Gordon
- Nunes, Scholefield, Deleon & Company
- Rattray, Patterson, Rattray
- Robertson, Smith, Ledgister & Company
- Robinson, Phillips & Whitehorne
- Grant, Stewart, Phillips & Malcolm
- Nicholson Phillips
- Samuda & Johnson
- Matthew Hogarth & Co.
- Harrison & Harrison
- Lex Caribbean
- L. Howard Facey & Co.
- Scott, Bhoorasingh & Bonnick
- Russell & Russell
- Earle & Wilson
- Palomino, Gordon-Palomino
- G. Anthony Levy & Company

Group Executives

COURTNEY CAMPBELL
CD, MBA (Dist), ACIB, BSc, JP, LLD (Hon)
Group President & CEO

PETER REID, BA (Hons)
Deputy Chief Executive Officer
VM Group

PAUL ELLIOTT
AICB, MBA, BSc (Hons
Chief Executive Officer, VM Building Society

REZWORTH BURCHENSON, MBA, BSc
Chief Executive Officer
VM Investments Limited & VM Wealth Management

FREDERICK WILLIAMS
BSc, FCCA
Group Chief Financial Officer

KERI-GAYE BROWN
MBA (Dist), LL.B (Hons)
Group Chief Legal, Risk & Compliance Officer & Corporate Secretary

JUDITH FORTH BLAKE, MBA, BA (Hons)
Group Chief Customer & Brand Officer

DAYTON ROBINSON, DBA, MSc, BSc (Hons), SPHR
Group Chief Human Resources Officer

ALLISON MORGAN, BA, MBA, JP
Chief Executive Officer
VM Property Services Ltd

CARLA MCINTOSH GORDON
MSc, BA, PMP, BSP
Group Chief Strategy Officer

MICHAEL HOWARD, MBA, BSc
Chief Executive Officer

LEIGHTON SMITH MBA, BBA
Vice President, VMBS and
Chief Executive Officer, VM Finance Limited

NATALIE BENNETT, MBA
Chief Executive Officer
VM Pensions Management Ltd

RENÉ ALLEN-CASEY
FCCA, FCA, CIA, CIRM, Dip, BA
Group Chief Internal Auditor

MAURICE BARNES, MSc (Distinction)
Chief Executive Officer
VM Innovations

BRIAN FRAZER BSc, CFA
Chief Treasury Officer

AMANDA COLLINS-MADDEN MBA, BSc
Group Chief Sales Officer

DENIS GRAY FCA, MCBI, BSc, MSc, MBA
Group Chief Risk Officer

Chief Executive Officers of Subsidiaries

VM Building Society
Paul Elliott
Chief Executive Officer

VM Investments Limited
Rezworth Burchenson
Chief Executive Officer

VM Wealth Management Limited
Rezworth Burchenson
Chief Executive Officer

VM Pensions Management Limited
Natalie Bennett
Chief Executive Officer

VMBS Money Transfer Services Limited
Michael Howard
Chief Executive Officer

VM Property Services Limited
Allison Morgan
Chief Executive Officer

VM Innovations Limited
Maurice Barnes
Chief Executive Officer

Building Society Operations

PAUL ELLIOTT
Chief Executive Officer

LATOYA WILLIAMS
Assistant Vice President
Lending Solutions and Business Services

SUZETTE RAMDANIE-LINTON
Assistant Vice President
Branch Distribution

LEIGHTON SMITH
Vice President, VMBS and
Chief Executive Officer
VM Finance Limited

VMBS Branch Leadership

CHIEF OFFICE
Marsden Dennis
Manager, Sales and Service
8-10 Duke Street, Kingston
Tel: (876) 922-8627/(876) 922-9410
Fax: (876) 922-6602

FALMOUTH
Sean Taylor
Manager, Sales and Service
15 Market Street, Falmouth
Tel: (876) 954-4040/(876) 954-3207/
(876) 954-3538/(876) 954-4639;
Fax: (876) 954-3728

HALF-WAY TREE
Ricardo Ellis
Manager, Sales and Service
73-75 Half-Way Tree Road, Kingston 10
Tel: (876)-754-8627
Fax: (876) 926-4604

LIGUANEA
Latoya Stewart-Rowe
Manager, Sales and Service
Unit 1 Liguanea Post Mall, 115 Hope Road, Kingston 6
Tel: (876) 927-7228/ 927-7294/ 927-7272
Fax: (876) 927-7319

LINSTEAD
Cherese Stewart
Manager, Sales and Service
Tel: 110 King Street, Linstead, St. Catherine
Tel: (876) 985-2177 / 985-7444
Fax: (876) 985-2173

MANDEVILLE
Kaydian Sinclair
Manager, Sales and Service
Shop # 3 Manchester Shopping Centre, Mandeville, Manchester
Tel: (876) 962-1030-31 Fax: (876) 962-1088

MAY PEN
Dian Campbell
Manager, Sales and Service
40 Main Street, May Pen, Clarendon

MARKET STREET
Andrea Arscott-Allen
Manager, Sales and Service
7 Market Street, Montego Bay, St. James
Tel: (876) 952-3772- 6 / 952-5573-4
Fax: (876) 952-7515

FAIRVIEW
Andel Phillips
Manager, Sales and Service
Unit 33 Fairview Shopping Complex
Montego Bay, St James
Tel: (876) 953-6813

NEW KINGSTON
Gavin Ridley
Manager, Sales and Service
53 Knutsford Boulevard, Kingston 5
Tel: (876) 929- 54121fax: (876) 929-549

OCHO RIOS
Charmaine McConnell-Taylor
Manager, Sales and Service
7 Newlin Street, Ocho Rios, St. Ann
Tel: (876) 974-5412/ 974 -1272
Fax: (876) 974-7862

PAPINE
Dian Campbell
Manager, Sales and Service
University of Technology (UTech)
237 Old Hope Road, Kingston 6
Tel: (876) 927-0792 / 970-1166
Fax: (876) 702-4638

PORTMORE
Tanya McKain
Manager, Sales and Service
Lot 1, Sea 13pe Close, Ptmore, St. Catherine
Tel: (876)939-7955 I 939-7972
Fax: (876) 939-7946

SANTA CRUZ
Peta-Gaye Rodgers
Manager, Sales and Service
56 Main Street Santa Cruz, St. Elizabeth
Tel: (876) 966-9948 / 966-9958
Fax: (876) 966-9952

SAVANNA-LA-MAR
Allison Shields
Manager, Sales and Service
123 Great George Street, Savanna-laMar, Westmoreland
Tel: (876) 955-4940/955-4941/955-4964
Fax: (876) 955-4924

SPANISH TOWN
Joy Bunting Pusey
Manager, Sales and Service
22 Oxford Road, Spanish Town, St. Catherine
Tel: (876) 984-2629 / 984-2633;
Fax: (876) 984-2634

MEMBER ENGAGEMENT CENTRE
Marion Lewis
Manager
73-75 Half-Way Tree Road, Kingston 10
Tel: 754-VMBS

Contact Details

JAMAICA

Tel: (876) 754-VMBS (8627)

Toll Free (from Jamaica): 1-888-YESVMBS (937-8627)
Fax: (876) 929-5224

Toll Free from United States of Anerica and Canada:
1-866-967-VMBS (8627)

Free Phone (from UK): 0-800-068-VMBS (8627)

Opening Hours:
Mondays - Fridays: 7:00 a.m. - 8:00p.m.
Saturdays: 10:00 a.m. - 6:00 p.m.
Sundays: 10:00 a.m. - 3:00 p.m.

OVERSEAS OFFICES:

UNITED KINGDOM

Leighton Smith,
Vice President, VMBS
380 Brixton Road Brixton, London SW9 7 AW UK
Tel: (207) 738-6799 I Fax: (207) 733-2356

VM FINANCE LIMITED

Leighton Smith,
Chief Executive Officer
Suite 242, Orega Building, 70 Gracechurch Street
London, EC3V 0HR, GB

REPRESENTATIVE OFFICES:

FLORIDA REPRESENTATIVE OFFICE

Suzette Rochester Lloyd
Chief Representative Officer
2600 S University Drive, Suite # 109
Miramar, Florida 33025 U.S.A.
Tel: (305) 770 2643 / 2654lt,II Free: 1-877-770-862
Fax: (305) 770-2622

NEW YORK REPRESENTATIVE OFFICE

Mrs. Natasha Service
Chief Representative Officer
300 Cadman Plaza West, 12th floor
Brooklyn, New York 11201, USA
Telephone: 347-344-5790 I Fax: 347-344-5791


COMMITTED
VM GROUP
Transform Your Everyday

VM GROUP

VM GROUP LIMITED (the “Company”)

Annual General Meeting **Form of Proxy**

Postage Stamp

I/We ____

of ____,

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

____

of ____,

or failing him, ____,

of ____

as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on the **29th day of July, 2025 at 3:00 p.m.** and at any adjournment thereof.

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

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

NOTES:

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

VM GROUP

VM GROUP LIMITED (the "Company")

Annual General Meeting **Form of Proxy**

	FOR	AGAINST
1. Resolution No. 1 – Audited Accounts		

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

	FOR	AGAINST
2. Resolution No. 2 - Retirement of Directors		

2A. Retirement by Rotation pursuant to Article 82:

"THAT Director **Mr. Brian Goldson** retiring by rotation pursuant to Article 82, of the Articles of Incorporation, who being eligible for re-election, is hereby elected."

"That Director **Mrs. Sandra Shirley-Auxilly** retiring by rotation pursuant to Article 82, of the Articles of Incorporation who being eligible for re-election is hereby elected."

	FOR	AGAINST
3. Resolution No. 3 – Directors' Remuneration		

"THAT the amount of $11,787,000 included in the Audited Accounts of the Company for the year ended December 31, 2024, as remuneration for their services as Directors be and is hereby approved."

	FOR	AGAINST
4. Resolution No. 4 – Appointment of Auditors		

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

Dated this 10th day of July 2025

BY ORDER OF THE BOARD

The 1st Public Annual General Meeting

Keri-Gaye Brown
Corporate Secretary

REGISTERED OFFICE
6-10 Duke Street
Kingston

....
SIGNATURE

Signed this .... day of 2025

myvmgroup.com

DESIGN:
VM Creative Unit
VM Group Marketing Department

AUDITORS:
KPMG Chartered Accountants

PRINTED IN JAMAICA

Address
73-75 Half Way Tree Road
Kingston 10
Jamaica

Telephone
1-876-754-VMBS (8627)

Toll free from Jamaica:
1-888-YES-VMBS (937-8627)

Toll free from the USA/Canada:
1-866-967-VMBS (8627)

Free phone from the UK:
0-800-068-VMBS (8627)

Fax
1-876-929-5224

Email
manager@myvmgroup.com