

STRONGER THROUGH SERVICE

Building resilience.
Creating value.
Empowering people.

Annual Report 2025



STRONG

Strength is built through service: by showing up consistently, responding with purpose, and placing people at the centre of every decision. At VM Group, each interaction, solution delivered, and commitment honoured strengthens trust, deepens relationships, and creates lasting value for our Members, Clients, Team Members and communities.

This is how we continue to move forward:
STRONGER THROUGH SERVICE.

NIKE



A photograph of a woman with dark curly hair, wearing a white shirt and gold hoop earrings, painting a colorful butterfly on the cheek of a young girl with curly hair in a ponytail. The girl is wearing a coral-colored dress. The woman is holding a small palette of face paint in her left hand and a brush in her right. The background is a blurred outdoor setting. A large red abstract shape is on the left, and white diagonal lines are overlaid on the image.

THROUGH

SERVICE



STRONGER THROUGH SERVICE

Building resilience.
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Vision

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



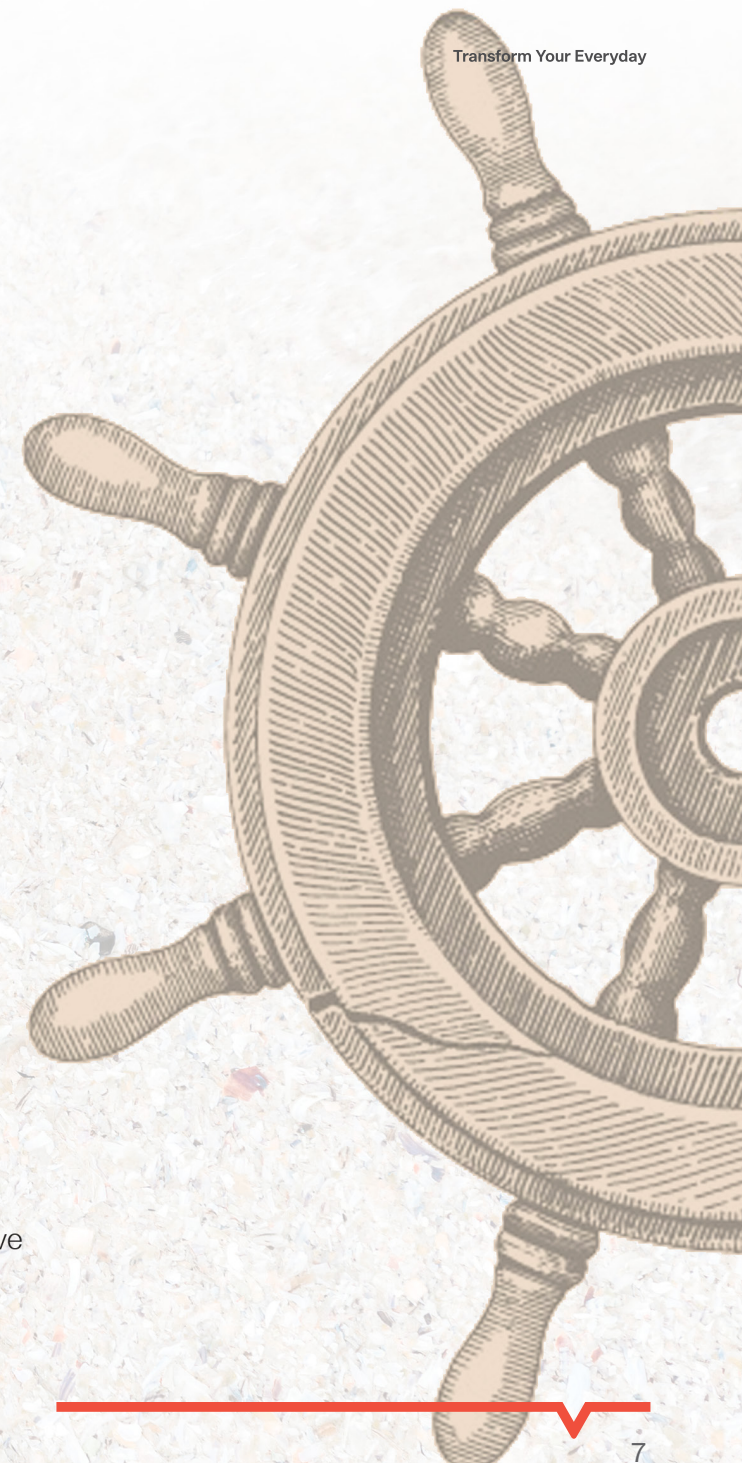
Core Values

- ▶ Member Focus
- ▶ Integrity
- ▶ Teamwork
- ▶ Innovation
- ▶ Excellence

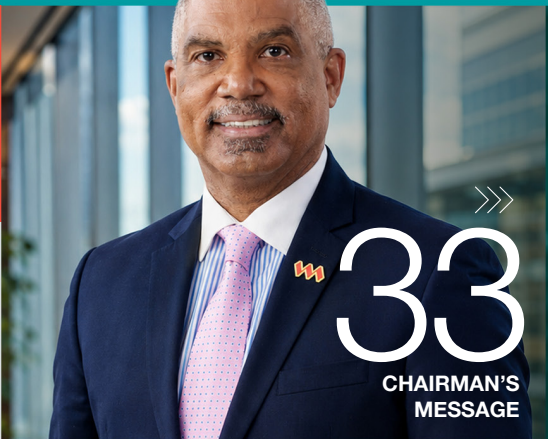


Mission

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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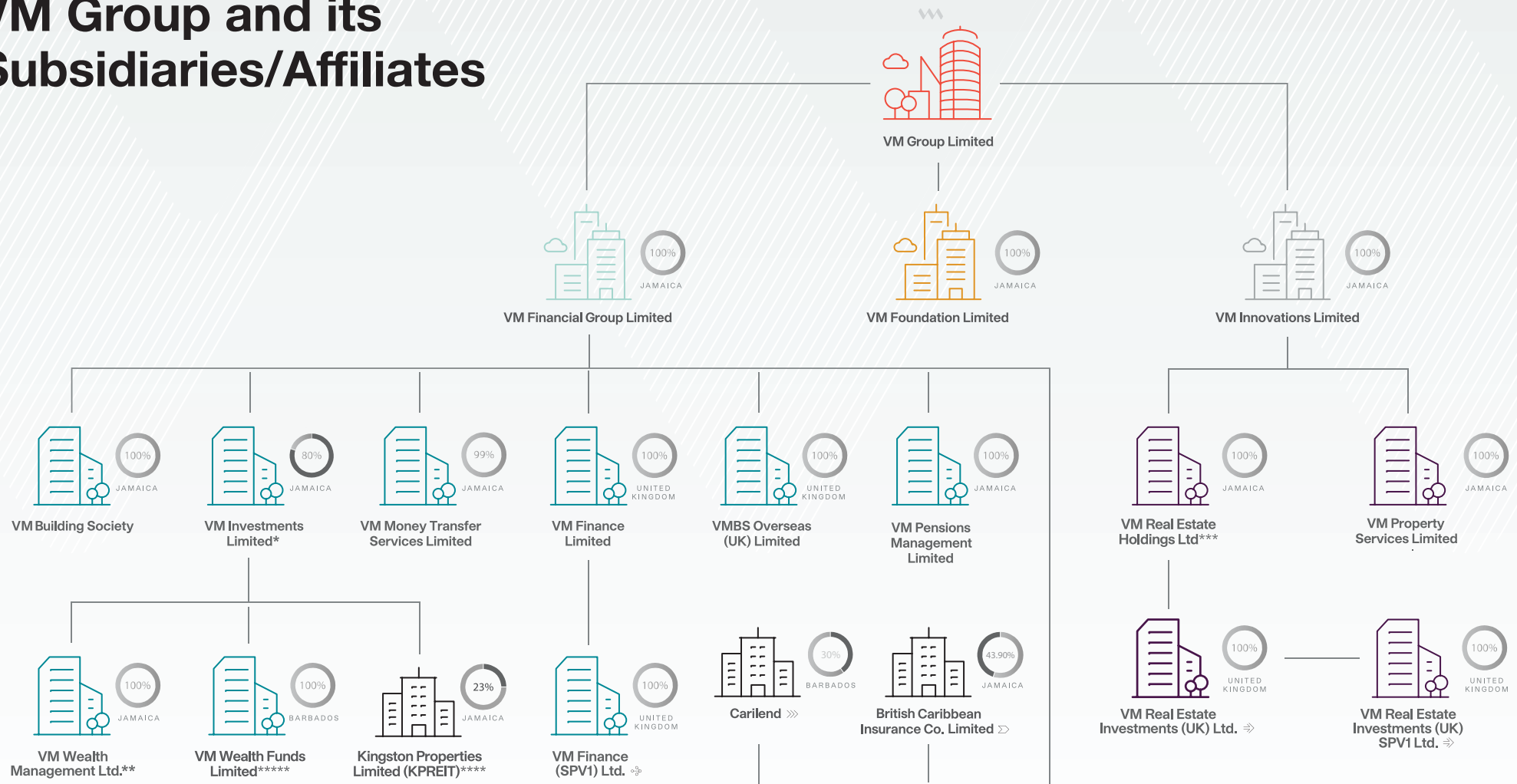
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- VM Finance UK Limited
- VM Investments Limited Group
- VM Pensions Management Limited
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 Proxy Form

VM Group and its Subsidiaries/Affiliates



Key

■	Mutual Holding Company	■	Non-Financial Subsidiary
■	Financial Holding Company	■	Affiliate
■	Financial Subsidiary	■	Non-Financial Holding Company
■	Philanthropic Arm of the VM Group		

- * 20% Owned by the public on Jamaica Stock Exchange
- ** Registered in Barbados as an overseas company - June 19, 2023
- *** Incorporated - September 26, 2023
- **** 23% Holding - December 30, 2023
- ***** Republic Funds (Barbados) Inc (RFI) - transaction completed on January 19, 2024 RFI renamed VM Wealth Funds Limited
- >>> Incorporated November 28, 2024
- >>> 30% holding - March 31, 2024
- >>> 43.90% holding - Sept 2025
- >>> Incorporated May 19, 2025

The VM Group: Who We Are

Since 1878, VM has been helping people build stronger financial futures. Founded on the belief that financial opportunity should be accessible to all Jamaicans, VM began with a vision to make home ownership and financial security achievable for more people. From those beginnings, the organisation has grown into one of the Caribbean's most trusted and enduring financial institutions.

At the heart of VM is Mutuality - a business focus that places people at the centre of everything we do. Our strength has always come from the success of the Members, Clients, businesses and communities we serve, and that principle continues to guide our decisions today.

While our reach now extends beyond Jamaica to the United Kingdom, the United States and the wider Caribbean, our purpose remains unchanged: empowering individuals, families, businesses and communities to achieve their goals and enjoy sustainable financial wellbeing.

Today, VM combines the strength of a rich legacy with a forwardlooking approach to financial services, innovation and community development. As a Mutual organisation, we remain focused on creating long-term value for our Members and other partners while helping to build stronger communities, economies and futures.



VM Financial Group Limited: Driving Success

The driving force behind the financial strength of VM Group is our financial holding company, VM Financial Group, and its subsidiaries. It houses our core regulated financial services companies, providing savings and loans, wealth management, pension management, and remittances to our Members and Clients on which they rely every day.

The main subsidiaries within VM Financial Group are:

► **VM Building Society (VMBS)**

Our flagship institution, offering products of a Deposit Taking Institution covering Savings and Loans, and Foreign Exchange trading services.

► **VM Investments Limited (VMIL)**

Listed on the Jamaica Stock Exchange, is the parent company of VM Wealth Management and is focused on the Group's Private Equity Investment strategy.

► **VM Wealth Management (VMWM)**

Delivering Investment Advisory services, Asset Management and Asset trading services.

► **VM Pensions Management (VMPPM)**

Managing and administering pension funds with expert insight and care.

► **VM Finance Limited**

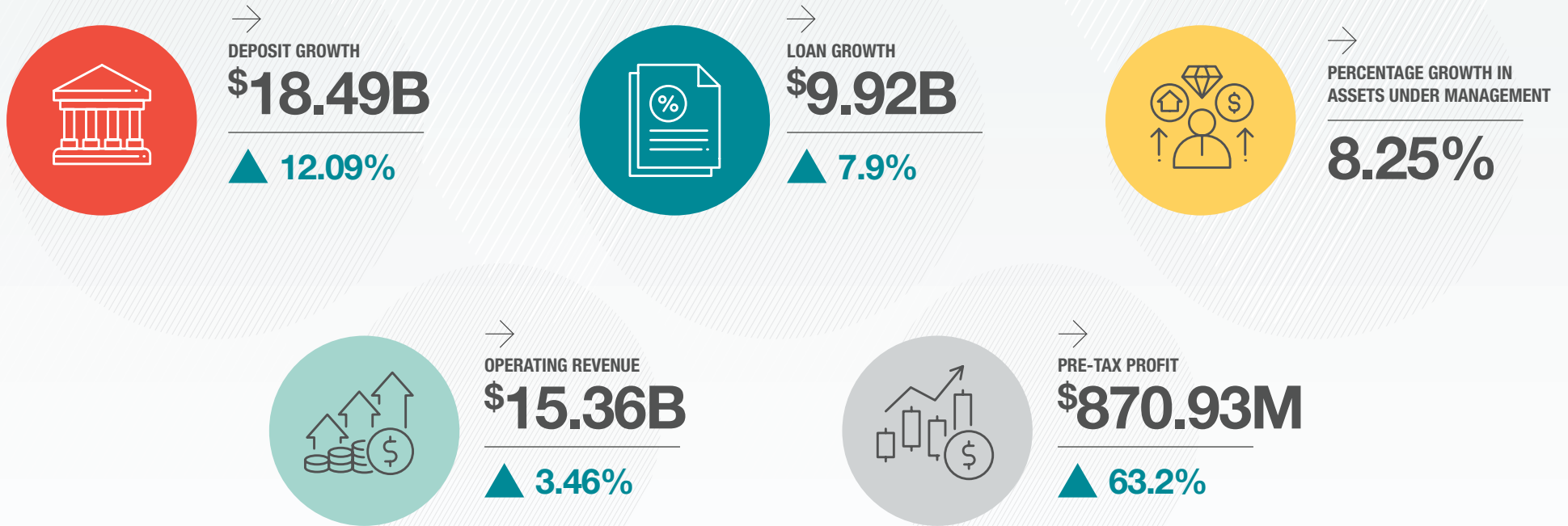
Providing development financing solutions to Clients in the United Kingdom.

► **VM Money Transfer Services**

Connecting families and communities through safe and reliable remittance services.

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

VM Group 2025 Performance Highlights



VM Group Strategy Report

“

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.”

VM Group Strategy Report

This Strategy section provides an opportunity to share the blueprint that guides VM's path forward. It reflects both our enduring purpose and our commitment to navigating the complexities of today's evolving financial landscape. Through this framework, we establish clear, deliberate strategic priorities that position us to deliver meaningful impact.

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 & Clients, Team Members and Communities. The VM Group is a purpose-driven organisation offering a full suite of solutions designed to meet the needs of individuals, families, businesses, and institutions. Our seasoned professionals bring together deep industry knowledge, innovative thinking, and a shared commitment to service. 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. contribute to these shared global objectives:

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. These Strategic Goals, serve as our compass, guiding our decisions and actions to ensure sustainable growth and resilience.

Strategic Goals	2025 Highlights
Strong, Integrated Financial Group:	VM Group's 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 SBUs
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 communities in which we operate.
Employer of Choice:	The VM Group is the preferred place of work and has an engaged team of talented and caring Members 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 home ownership and financial well-being. Members are rewarded for their loyalty.

2. VM Group is a Full-Service Organisation

The VM Group is a **full-service Organisation** providing an expanded suite of products and services designed specifically for our personal, business and non-profit Members and Clients.

These include:

- ▶ Multiple Savings Products for our retail and business customers
- ▶ A wide range of Lending Solutions including credit cards to meet the needs of individuals and businesses
- ▶ Other 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, full suite pension fund management, advisory services and Approved Retirement Scheme
- ▶ We also offer payment solutions including remittances, property & project management, valuations, property insurance and fintech services



VM Group Strategy Report

[CONTINUED ►](#)

3. VM Group is a Transformed Organisation

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



Environmental, Social and Governance (ESG)



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

Over the past three years, we have advanced the integration of Environmental, Social, and Governance (ESG) principles into our business model, recognising their increasing importance to financial performance, regulatory compliance, and long-term value creation.

You can read more about our achievements to date in the ESG section of this report on page 36.

5. VM Group Creates Wealth through Real Estate

VM Group's expertise and experience in all aspects of Real Estate are grounded in our 147-year history and have allowed

the Organisation to carve out a path that can advance wealth creation for our Members and Clients based on our expertise in various forms of Real Estate asset classes.

Today, this VM Real Estate Advantage is demonstrated across all business lines.

VM Strategy: Creating Wealth through Real Estate

Company	Business Line	Products & Services	Performance
VM Building Society	Deposit Taking financial institution: deposits & loans	Provides mortgages for residential and commercial properties	147 years of helping Jamaicans acquire their first home with almost 16,000 mortgage accounts.
VM Investments	Wealth Management & Investment Services	Funds provide ownership of Real Estate & access to overseas properties.	Ranked among the top 3 performing funds in the past 5 years
VM Pensions Management	Pensions Management & Advisory	Property portfolios	Real Estate funds outperforms benchmark 4 of the past 5 years
VM Property Services	Property Management, Real Estate sales & Project Management	Valuations, Real Estate sales, Property Management	Manages > 350k sq. feet of property. Closed 600 property valuations annually over the past 3 years
VM Money Transfer Services	Remittances	Remittance Services	Accounts for over 13% of Jamaica's Remittance Industry Value Market Share
VM Finance Ltd. & Real Estate Holdings	Financing Property Development	Finances developments in UK Owns property and targets the real estate development market in Jamaica	▶ Since 2018, VMF disbursed > GBP 256M in loans to fund properties (UK) ▶ VMREH owns > 65,000 sq. feet of property
British Caribbean Insurance Company & Kingston Properties Ltd. (KPREIT)	General Insurance & Real Estate Investments	Property Insurance Real Estate Investments	▶ BCIC accounts for 22% of the Jamaican property insurance industry & contributes 51% of total revenue ▶ KPREIT owned 633,000 sq ft of property with Portfolio valued at US\$86,6M

VM Group Strategy Report

What We Do

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 2025, we executed a series of strategic initiatives, and the tables in this segment provide a report on our efforts.

1. Delivers on Our Commitment to Member & 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 experiences that align with their goals. By combining our expertise, professionalism, and genuine care, we worked to deliver on this commitment in 2025, the outcomes of which are outlined below.

Projects/Initiatives	STATUS
Committed to Delivering Sustainable Solutions for Members & Clients	
Upgrade Member Engagement Centre to include 24/7 services to our Members & Clients	➡
Expanded Business Services Unit with additional Relationship Officers and products and services	⬆
Rollout of USD Business Card to Market	⬆
International Debit Card & Classic Card introduction to Market	➡
Started the digitalisation of the ARS processing to improve speed and efficiency on how we serve our Clients.	➡

VM Finance's SPV Activation	⬆
VMTS' Franchise Model – All Locations Franchised	⬆
VMBS' New York Representative Office Relocation	⬆
Launch of the Group Online Onboarding to enhance the experience of Members & Clients	⬆

2. Delivers 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 grounded in excellence, collaboration, and respect, we equip our team to deliver outstanding service to our clients while thriving as individuals and professionals.

In 2025, we continued to advance targeted initiatives aligned with these priorities, reinforcing our commitment to talent development and a high-performance culture.

Committed to Fostering a Team-Member Friendly Work Environment	
Projects/Initiatives	STATUS
Launched Junior Professionals Programme which aims to build the bench strength of the Team and to ensure the development of the next tier of Team Members.	⬆
Facilitated the Leadership Mentorship Training in October 2025 focusing on building coaching and mentorship capability among leaders.	⬆
Hosted a Retirement Planning Seminar as part of supporting frame of VM's overall proactive Workforce Transition Planning Programme.	⬆

Safety Marshall Certification Training was also completed to strengthen safety leadership and compliance across operational areas.	⬆
Retention of high-potential Team Members at 93.8%	➡

3. Delivers 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 inclusion and investment in long-term impact. We actively support initiatives that promote these goals and through volunteerism, corporate giving, or community-based programmes, we were able to deliver on a series of such activities, as outlined in the table below.

Committed to Transforming Lives in our Communities	
Projects/Initiatives	STATUS
Supported Jamaica Library Service – National Reading Competition	
Started the Give-a-Change Initiative	⬆
Executed the 2025 objectives under the Youth Development Programme such as VM Ignite, VM Enrich, VM Uplift	➡
Executed the 2025 objectives under the Community Development Programme such as National Leadership Prayer Breakfast Charity Initiative	➡
VM Scholars & Bursaries	⬆
Hurricane Relief Response – Donations & Funding	⬆

Completed	⬆
Ongoing/ In progress	➡
Not started	⬇



“

VM Group's expertise and experience in all aspects of Real Estate are grounded in our 147-year history and have allowed the organisation to carve out a path that can advance wealth creation for our Members and Clients.”

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 28, 2026, at 3:00 p.m.** to consider, and if thought fit, pass the following resolutions:

1. Resolution No.1 – Audited Accounts

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

2. Resolution No. 2 – Retirement of Directors

2A) Retirement by Rotation pursuant to Article 82:

“**THAT** Director **Mr. Michael McAnuff-Jones** retiring by rotation pursuant to Article 82, of the Articles of Incorporation, who being eligible for re-election, is hereby elected.”

“**THAT** Director **Mrs. Jeanne Robinson-Foster** 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 \$25,245,000 included in the Audited Accounts of the Company for the year ended December 31, 2025, as remuneration for their services as Directors be and is hereby approved.”

4. Resolution No. 4 – Appointment of Auditors

To appoint PricewaterhouseCoopers (PwC) as Auditors of the Company to hold office until the next Annual General Meeting, at a remuneration to be fixed by the Directors.

DATED this 10th day of April 2026

BY ORDER OF THE BOARD



Keri-Gaye Brown
Corporate Secretary

REGISTERED OFFICE
6-10 Duke Street
Kingston

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

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

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

Directors' Report

VM GROUP LIMITED (the Company)

1. The Directors submit herewith the Statements of Revenues and Expenses, Comprehensive Income and Financial Position for the year ended December 31, 2025.
2. The Statement of Revenue and Expenses reports pre-tax loss for the year of \$337,825,000 to which there has been added \$9,220,000 for Income Tax Charge, resulting in an After-tax loss of \$347,045,000.
3. **A) Directors Retiring by Rotation pursuant to Article 82:**

Director **Mr. Michael McAnuff-Jones** retiring by rotation pursuant to Article 82 of the Articles of Incorporation who being eligible for re-election is hereby elected.

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

B) The Board acknowledges with deep sadness the passing of our esteemed director, Mr. Matthew Wright, on May 5, 2026. His sharp wit, wisdom and dedication had a lasting impact on everyone who had the privilege of working alongside him. His thoughtful leadership and insight added significant value to Board discussions and informed effective decision making. He was a respected leader and a cherished colleague whose presence will be deeply missed.

4. I. Retirement of Auditors

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

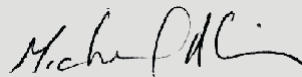
The Board wishes to express its sincere appreciation to KPMG for the past services provided as Auditors of the Company.

II. Appointment of Auditors

It is proposed by the Board that PricewaterhouseCoopers (PwC) be appointed as Auditors of the Company at the Annual General Meeting and that the Directors be authorized to fix their remuneration.

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

ON BEHALF OF THE BOARD



Mr. Michael McMorris

Chairman



VM GROUP

Five-year Statistical Review

GROUP	2021	2022	2023	2024	2025
Balance Sheet (\$'000)					
Interest Earning Assets	161,377,221	166,610,976	181,329,718	185,688,913	214,870,632
Loans	102,402,543	111,389,609	121,930,499	125,529,163	135,444,769
Total Assets	191,233,701	198,312,606	213,752,367	223,567,829	255,616,215
Savings Fund	117,863,706	134,221,577	142,341,238	152,961,574	171,453,082
Capital and Reserves	21,229,577	20,876,754	21,030,363	21,991,796	23,525,261
Deposit Liabilities	122,230,742	134,793,203	144,280,169	154,846,879	173,283,919
Income Statement (\$'000)					
Net Interest Income	5,725,648	5,880,554	5,903,481	6,514,220	8,058,739
Total Operating Revenue	10,914,728	12,472,656	10,589,417	14,847,518	15,361,373
Operating Expenses, excl impairment losses	8,879,660	10,344,996	11,271,309	13,548,322	14,261,997
Surplus before income tax	2,281,841	2,701,536	(511,593)	533,669	870,932
Surplus for the year after income tax	1,786,269	1,929,278	(374,655)	823,449	523,675
Share of profits of associates	320,810	126,899	442,161	455,448	239,852
Ratios					
Net Interest Margin	3.88%	3.59%	3.39%	3.55%	4.02%
Return on Capital	8.23%	9.16%	-1.79%	3.83%	2.30%
Return on Average Total Assets	1.00%	0.99%	-0.18%	0.38%	0.22%
Efficiency Ratio (Admin Exp:Mean Assets)	4.97%	5.31%	5.47%	6.20%	5.95%
Efficiency Ratio (Cost:Income)	79.03%	82.11%	102.17%	88.53%	91.42%
Capital & Reserves as a percentage of assets	11.10%	10.53%	9.84%	9.84%	9.20%

VM FINANCIAL GROUP

Four-year Statistical Review

CONSOLIDATED FINANCIAL GROUP	2022	2023	2024	2025
Balance Sheet (\$'000)				
Interest Earning Assets	165,361,842	180,994,783	185,631,633	213,370,775
Loans	111,389,609	121,930,499	125,529,163	135,444,769
Total Assets	198,243,314	214,811,610	224,999,555	257,245,999
Off Balance Sheet Assets	92,719,646	95,962,493	108,008,507	116,919,999
Income Statement (\$'000)				
Net Interest Income	5,879,677	5,933,853	6,727,925	8,347,780
Total Operating Revenue	12,464,571	12,457,970	14,438,399	15,478,000
Operating Expenses, excl impairment losses	10,180,630	10,993,435	13,258,900	13,869,733
Surplus before income tax	4,057,817	447,542	1,330,986	1,637,821
Surplus for the year after income tax	3,292,678	581,131	1,593,593	1,229,190
Share of profits of associates	126,899	442,161	455,448	239,852
Ratios				
Net Interest Margin	3.56%	3.28%	3.62%	3.91%
Return on Capital	15.86%	2.73%	7.01%	4.97%
Return on Average Total Assets	1.66%	0.28%	0.72%	0.51%
Efficiency Ratio (Admin Exp:Mean Assets)	5.14%	5.32%	6.03%	5.75%
Efficiency Ratio (Cost:Income)	81.68%	88.24%	91.83%	89.61%
Capital & Reserves as a percentage of assets	10.47%	10.32%	10.34%	10.26%

► The VM Financial Group was incorporated on February 1, 2023.

Board of Directors

Strength through service begins with governance. Our Board's commitment to accountability, transparency, and sound decision-making continues to guide VM Group's growth and long-term success.



▶ **MR MICHAEL MCMORRIS**
BA
Chairman
VM Group and VM Financial Group



▶ **MR MATTHEW WRIGHT**
MPhil, MA, BA
VM Group and VM Financial Group
Passed away May 2026

BOARD OF DIRECTORS



► **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

Board of Directors

[CONTINUED ►](#)

► **MRS JEANNE P. ROBINSON-FOSTER**

CD, BA (Hons.), LLB (Hons.), CLE
VM Group and VM Financial Group
(Retired from VM Financial Group May 30, 2025)



► **MR COLIN B. WHARFE**

FCCA, FCMA, CISA, LLB
VM Group and VM Financial Group
(Retired from VM Group May 30, 2025)



► **MR PHILLIP G. SILVERA**

FCCA, FCA
VM Group and VM Financial Group
(Retired from VM Group May 30, 2025)
Passed away August 2025

BOARD OF DIRECTORS



► **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

Board of Directors

[CONTINUED ►](#)

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



► **MS TOPAZ JOHNSON**
LL.B, LL.M, MSc
VM Financial Group
(Appointed August 27, 2025)



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

BOARD OF DIRECTORS

MR MICHAEL MCMORRIS BA - Chairman

Mr Michael McMorris has served as VM Group Chair since 2011 and VM Investments Limited Chairman since 2017. He is Principal of the business management firm KRONOS Limited and works with local and international investors in the areas of new venture development and strategic management.

Mr McMorris also served with distinction as President of the Jamaica Chamber of Commerce for the term 2022/2023. 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 was 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 gained over 25 years' experience in investment management, corporate finance, credit risk management, and real estate investment.

He was 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 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 held 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

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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 BSc (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 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 was a long-standing member of the VM Family and 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 gained 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 served on the boards of VM Group, VM Financial Group, VM Investments and VM Wealth Management.

He chaired 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.

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 was also a past Chairman of J.E.T.S. Limited, operators of MultiLink, Jamaica's largest payment system.

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.

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

Board of Directors

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 VMPPM.

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 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 BSc 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 TOPAZ JOHNSON LL.B, LL.M, MSc

Ms Topaz Johnson is an accomplished attorney at law and financial professional with extensive experience in banking, capital markets and corporate law. A Partner at DunnCox since 2013, she has led advisory work on major infrastructure, energy and financial transactions, including Public Private Partnerships, syndicated loans and multilateral lending arrangements. Her earlier career includes senior roles at Citibank Jamaica, focusing on risk management and product management after gaining experience, including at the World Bank, in development finance and economic research.

Ms Johnson holds an LL.B, an LL.M in Banking and Finance Law from the University of London, an MSc in International Business, and a BSc in Management Studies and Economics from the University of the West Indies. She has been recognised by leading legal directories, including Chambers Global and IFLR1000, for her work in banking and finance law.

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



The Board remains confident that the strategic actions undertaken in recent years have strengthened the Group's capacity to navigate uncertainty while continuing to create sustainable long-term value, ensuring that VM remains strong, relevant and trusted for generations to come."

Strength through Stewardship

For Jamaica, 2025 was a year that reflected both progress and adversity. Economic fundamentals continued to strengthen, international reserves reached record levels and confidence in the country's fiscal management was reaffirmed through an upgrade to the country's sovereign credit rating.

These encouraging developments, however, were overshadowed by the devastating impact of Hurricane Melissa, which significantly altered Jamaica's near-term economic outlook and reinforced the importance of resilient institutions capable of supporting recovery and growth.

At the same time, the financial services sector continued to evolve rapidly. Regulatory reforms advanced across multiple areas, including payments, prudential oversight, cybersecurity governance and preparations for the implementation of the Twin Peaks regulatory framework. Competitive dynamics also intensified as institutions accelerated digital transformation initiatives, pursued strategic acquisitions and sought new opportunities for growth.

Against this backdrop, effective governance remained essential. Institutions were required not only to respond to immediate challenges but also to maintain the discipline, oversight and long-term perspective necessary to safeguard stakeholder interests and ensure sustainable growth. Throughout 2025, the Board remained focused on fulfilling that responsibility.



Chairman's Message

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Resilience in Performance

Despite a challenging operating environment, VM Group continued to demonstrate resilience and financial strength.

Total assets expanded to J\$255.62 billion, while the loan portfolio grew to J\$135.44 billion. Members and Clients entrusted the Group with an additional J\$18.49 billion in deposits during the year, increasing total savings balances to J\$171.45 billion. Growth in net interest income by 23.71% and reduction in operating expenses were the main drivers which helped to push pre-tax profit over the prior year by 63.2%. These outcomes reflect the enduring confidence that our Members and Clients continue to place in the VM brand and our mutual model.

The impact of Hurricane Melissa created short-term pressures across several areas of the business, including fee and commission income, interest earnings and credit quality, as many Members and Clients focused on rebuilding their lives and livelihoods. Notwithstanding these challenges, the Group benefited from the strength of its diversified portfolio, prudent risk management practices and the continued evolution of its holding company structure.

From the Board's perspective, these results underscore the value of disciplined governance, sound capital management and a long-term approach to decision-making. They also reinforce the importance of maintaining a business model capable of adapting to changing circumstances while remaining focused on the needs of our stakeholders.

Governance and Strategic Oversight

A key responsibility of the Board is ensuring that VM remains well positioned to create sustainable value over the long term. Throughout 2025, the Board maintained active oversight of the Group's strategic agenda, with particular focus on strengthening operational resilience, enhancing efficiency, supporting digital transformation and positioning the organisation for future growth.

Significant attention was also given to leadership development, succession planning and the cultivation of the capabilities required to compete in an increasingly complex and technology-driven financial services environment. We recognise that long-term success depends on our ability to embed high quality leadership, talent and culture over a sustained period.

The evolving risk landscape further reinforced the importance of strong governance. During the year, the Group continued to enhance enterprise risk management practices, strengthen cybersecurity capabilities, improve credit monitoring and reinforce business continuity frameworks. These investments are essential for protecting stakeholder interests and ensuring that VM remains resilient in the face of emerging risks and external shocks.

Living our Purpose

The response to Hurricane Melissa demonstrated the enduring relevance of VM's Mutual heritage and purpose-driven philosophy. Through the work of the VM Foundation, support was extended to communities affected by the storm through emergency relief, recovery initiatives and educational

assistance. At a time when many Jamaicans faced uncertainty and hardship, VM sought to provide meaningful support to those most in need. This commitment reflects a principle that has guided our institution for generations - that business success and social responsibility go hand in hand.

As a Mutual organisation, our success is intrinsically linked to the wellbeing of the people and communities we serve. That understanding continues to shape our approach to business and our contribution to national development.

Acknowledgements

Before offering my acknowledgements, I wish to recognise the passing of two esteemed Directors, Phillip Silvera and Matthew Wright, since our last report. Phillip was the consummate 'accounting' director, with invaluable institutional knowledge from his time as Chief Financial Officer for VMBS. Matthew's analytical and global transactional expertise made him an integral director for the Group and main subsidiaries.

Both gentlemen served the VM Group with distinction and brought invaluable insight, wisdom and commitment to the Board. Their contributions helped shape our organisation's growth and strengthened the governance foundation upon which we continue to build. While their counsel and presence will be deeply missed, their legacy of service and stewardship will continue to inspire the work of the Board and the wider VM family.

We extend our deepest sympathies to their families, friends and loved ones during this time of loss.

CHAIRMAN'S MESSAGE

I also extend sincere appreciation to my fellow Directors for their stewardship, diligence and unwavering commitment throughout what was undoubtedly one of the most challenging operating environments in recent years. My thanks also go to our Group President & CEO, the Executive Leadership Team and Team Members across the organisation. Their professionalism and adaptability ensured continuity of service and effective execution even amid significant disruption.

Finally, to our Members and Clients, thank you for the trust and confidence you continue to place in VM. Your loyalty remains one of our greatest strengths and a constant reminder of the responsibility entrusted to us.

Looking Ahead

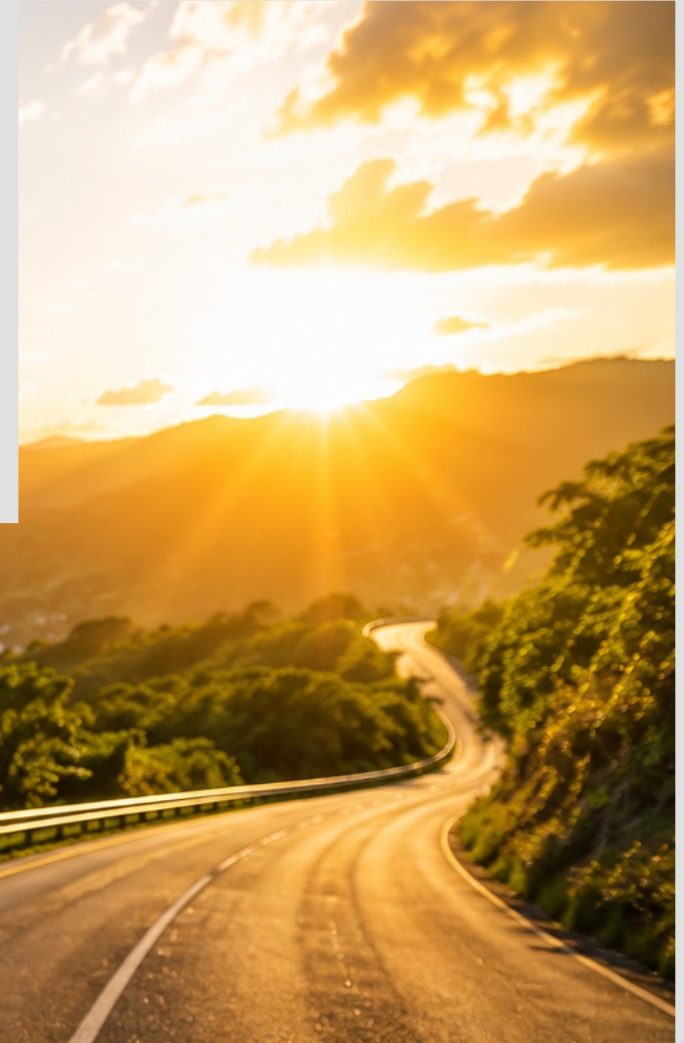
As we look towards 2026, Jamaica's economic outlook will continue to reflect the effects of Hurricane Melissa. Economic activity is expected to remain constrained in the near term, while resurgent inflationary pressures may persist before moderating over the medium term. Nevertheless, there are reasons for confidence. Jamaica enters this period from a position of considerably greater strength than in previous decades with stronger fiscal management and falling crime statistics. The impact of these encouraging gains could however be dulled if collectively we are not successful in enhancing our ability to withstand and respond to adversity as a country. I am confident in our national capability to be effective and we continue to play our part in a joined up approach by the public and private sectors to ensure that Jamaica meets this challenge.

For VM, the focus remains clear. We will continue to strengthen governance, maintain disciplined risk management, support innovation and preserve the financial strength required to serve our Members and Clients through changing economic conditions. The Board remains confident that the strategic actions undertaken in recent years have strengthened the Group's capacity to navigate uncertainty while continuing to create sustainable long-term value, ensuring that VM remains strong, relevant and trusted for generations to come.



Michael McMorris

Chairman



Environmental, Social and Governance (ESG)

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The VM Group is not just navigating the future, we are shaping it. We remain resolutely committed to proving every day that sustainable growth and human empowerment go hand-in-hand.”

Environmental, Social and Governance (ESG)

Throughout 2025, our Environmental, Social and Governance (ESG) framework served as the strategic blueprint driving our mission to be Stronger Through Service. By investing heavily in our human capital, accelerating our community impact, and reinforcing both our corporate governance and digital resilience, we continue to generate enduring value for the communities we proudly serve.

To ensure our impact resonates on a global scale, these core initiatives are deeply anchored in the United Nations' Sustainable Development Goals (SDGs) - the globally recognised standard for advancing sustainable development and responsible corporate citizenship.

The following table highlights the SDGs most critical to the VM Group, demonstrating exactly how our policies, programmes, and daily operational initiatives actively contribute to these shared global objectives:

Goals	Definition	VM Group's Related Activities
SDG 3 – Good Health & Well-being	Ensure healthy lives and promote well-being for all at all ages.	Occupational health and safety initiatives, implementation of electronic safety reporting portal, safety marshal training and recertification programmes, improvements to workplace monitoring and surveillance systems, employee engagement and wellness initiatives.

SDG 4 – Quality Education	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.	VM EnRich financial literacy and social enterprise programme, VM Ignite youth development programme, STEM programmes for girls, literacy development and classroom libraries, online/ self-paced and instructor-led training programmes for Team Members, youth tutoring and mentorship initiatives.
SDG 5 – Gender Equality	Achieve gender equality and empower all women and girls.	Strong female representation across the workforce and senior leadership, diversity and inclusion initiatives, STEM education programmes for girls, women-focused community support programmes through the VM Foundation.
SDG 7 – Affordable & Clean Energy	Ensure access to affordable, reliable, sustainable and modern energy for all.	Installation of LED lighting systems, motion sensor lighting controls, HVAC efficiency improvements, initiatives aimed at reducing electricity consumption and improving operational efficiency.
SDG 8 – Decent Work & Economic Growth	Promote sustained, inclusive and sustainable economic growth, full and	Human capital development initiatives, employee engagement programmes, leadership development, training and development investments, workplace

	productive employment and decent work for all.	safety initiatives, financial literacy and youth entrepreneurship programmes.
SDG 9 – Industry, Innovation & Infrastructure	Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation.	Strengthening cybersecurity infrastructure, data privacy and protection frameworks, digitisation initiatives, encryption technologies, endpoint detection systems, vulnerability management systems, digital transformation and technology enhancement initiatives.
SDG 10 – Reduced Inequalities	Reduce inequality within and among countries.	Programmes supporting persons with disabilities, youth empowerment initiatives, community grants programme, parenting and family support programmes, educational support initiatives, social inclusion programmes.
SDG 12 – Responsible Consumption & Production	Ensure sustainable consumption and production patterns.	Recycling initiatives, recycling bins across VM locations, reduction of paper usage through digitisation, responsible waste management practices, environmental sustainability initiatives.
SDG 13 – Climate Action	Take urgent action to combat climate change	Environmental awareness and climate education initiatives, energy efficiency

Environmental, Social and Governance (ESG)

CONTINUED ▶

	and its impacts.	projects, reduction of environmental footprint, waste reduction initiatives, environmental sustainability programmes implemented across VM locations.
SDG 16 – Peace, Justice & Strong Institutions	Promote peaceful and inclusive societies, provide access to justice for all and build effective, accountable institutions.	Strengthened governance frameworks, data privacy and protection governance, cybersecurity initiatives, regulatory compliance measures, risk management frameworks, enhanced access controls and data protection systems.
SDG 17 – Partnerships for the Goals	Strengthen the means of implementation and revitalize the global partnership for sustainable development.	Partnerships with schools, community organisations, NGOs, youth programmes, environmental initiatives, disability support organisations, and collaborative community development initiatives through the VM Foundation.

Environmental Responsibility: Advancing Global Sustainability Goals

At the VM Group, our environmental strategy is purposefully aligned with the SDGs. By embedding these global benchmarks into our daily operations, we are taking targeted, measurable actions to reduce our environmental footprint and foster a culture of sustainability across all our facilities.

Championing Affordable and Clean Energy and Climate Action

To directly support global climate action and energy conservation, we aggressively pursued operational efficiency and resource management enhancements throughout the year. These initiatives not only lower our operating costs but create a greener workplace:

- ▶ **Smart Lighting Solutions:** We deployed energy-efficient LED lighting systems alongside motion-sensor controls, optimising electricity consumption by ensuring spaces are illuminated only when occupied.
- ▶ **HVAC Optimisation:** We executed strategic improvements to our Heating, Ventilation, and Air Conditioning (HVAC) systems, significantly enhancing both energy efficiency and indoor air quality for our team members and clients.

Driving Responsible Consumption and Production

In our commitment to responsible consumption, we changed our approach to waste reduction and resource utilisation across the organisation:

- ▶ **Digital Transformation:** We accelerated the digitisation of our internal processes, drastically reducing paper consumption and driving a more sustainable, modernised workflow.
- ▶ **Waste Management and Recycling:** We expanded our recycling infrastructure by strategically placing separation bins for paper and plastic throughout our corporate offices. This initiative diverts waste from landfills while actively encouraging environmentally responsible habits among our workforce.

Social Responsibility

Our People: An Engaged, Future-Ready Workforce

Our people are the architects of our success. In 2025, we prioritised robust talent development and fostered an inclusive, highly engaged workplace culture to ensure our Team Members are equipped to drive our digital and strategic ambitions.

Transformative Training & Development

To build a highly skilled, future-ready workforce, we heavily invested in targeted training programmes. The response from our Team was exceptional, reflecting a culture eager to Level Up:

- ▶ **Massive Digital Upskilling:** Team Members completed 17,491 online and self-paced training modules across 282 programmes.
- ▶ **Instructor-led Excellence:** 1,191 Team Members participated in 276 hours of immersive, instructor-led training.
- ▶ **High Satisfaction:** An impressive 98% of participants rated our training programmes as “good” or “very good.”

Environmental, Social and Governance (ESG)

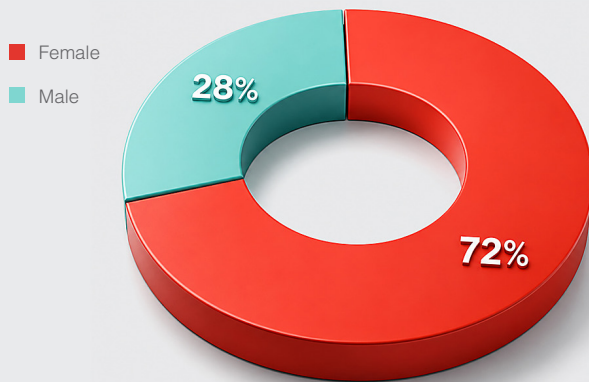
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In 2025, the VM Foundation proved that Jamaica is Stronger Through Service by positively impacting a remarkable **58,000** lives.

Environmental, Social and Governance (ESG)

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Gender Distribution (2025)

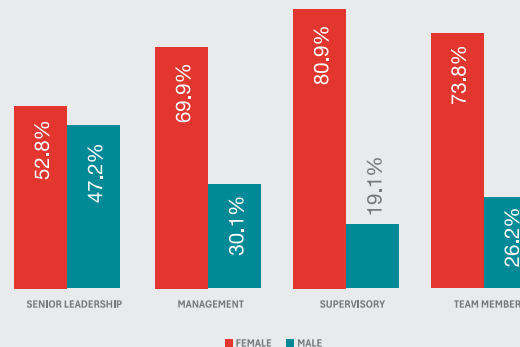


Diversity, Equity, and Strong Engagement

We continuously measure our workplace culture through our Human Resource Engagement Index (HREI). The 2025 results reflect a deeply engaged workforce and highlight our proud commitment to gender diversity at the highest levels of decision-making. As at December 2025, 72% of the VM Team Members were female and 28% male.

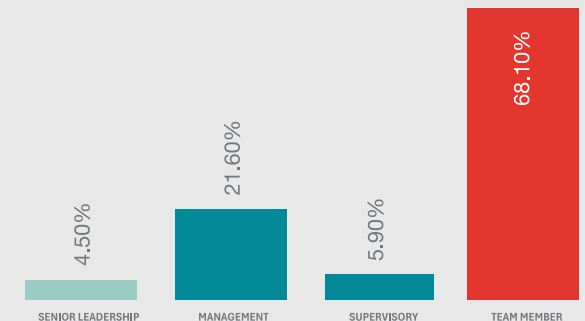
Engagement & Diversity Metric	2025 Highlights
Female Leadership	52.8% of Senior Leadership roles are held by women (with females comprising 72.4% of the total workforce).
Leadership Engagement	Strong HREI scores among Senior Leadership (81.5%) and Management (78.5%).
Overall Engagement	Consistent engagement across the board, with Male (77.5%) and Female (74.5%) Team Members feeling highly supported.

Gender Distribution by Employee Level (2025)



The VM Group continues to prioritise diversity, equity, inclusion and employee development as key components of its ESG strategy. The Group maintains a diverse workforce across all levels of the organisation, with females representing the majority of employees.

Employee Level Distribution (2025)



Environmental, Social and Governance (ESG)

VM Foundation: A Year of Impactful Community Investment and Resilience

In 2025, the VM Foundation proved that Jamaica is Stronger Through Service by positively impacting a remarkable 58,000 lives. Through strategic programmes centred on education, financial literacy, and grassroots empowerment, the Foundation distributed \$7,876,419 in life-changing grants.

- ▶ **Flagship Impact:** The VM ImPact Community Grants benefitted over 41,000 people, funding diverse grassroots initiatives ranging from STEM for Girls, and disability Inclusion in hydroponics, to youth entrepreneurship in rural St. Thomas. Concurrently, VM EnRich and VM Ignite empowered nearly 1,800 students with financial literacy and leadership skills.
- ▶ **Hurricane Melissa Resilience:** When disaster struck, our agility was tested and proven. We rapidly deployed over \$4 million in immediate relief (providing 1,000+ care packages to 3,000 residents across 24 communities) and committed an additional \$5.2 million to long-term recovery, focusing on rebuilding homes and replenishing educational materials for 21 schools.

Governance Responsibility: Protecting Our Future

Exemplary corporate governance, data protection, and operational safety are non-negotiable pillars of our business. Guided by our Chairman and Group President & CEO, our Board of Directors ensures that strategic agility is always balanced with unwavering accountability.

Strategic Board Oversight

In 2025, the Board focused its stewardship on four critical pillars:

1. Customer-Centric Revenue Growth: Driving innovation by deeply understanding and anticipating Member needs.
2. Improved Efficiency: Championing digital transformation to streamline operations and boost organisational agility.
3. Talent Management: Overseeing rigorous succession planning and empowering our high-performance culture.
4. Proactive Risk Management: Intensifying oversight of our Enterprise Risk Management Framework to identify and mitigate emerging global risks.

Cybersecurity, Privacy, and Safety

Keeping our Members' data secure is a fundamental service, so we significantly fortified our enterprise-wide Data Privacy and Protection Framework to ensure strict compliance with the Jamaica Data Protection Act (JDPA). We enhanced our digital resilience by deploying Extended Endpoint Detection and Response (XDR) tools, Next-Generation Firewalls, and dark web monitoring.

Simultaneously, we prioritised the physical well-being of our Teams by launching an advanced electronic occupational health and safety portal, complemented by continuous Safety Marshal certifications across all VM locations.

Looking Ahead

Through rigorous governance, compassionate community investment, execution of sustainable practices and our unshakable belief in our people, the VM Group demonstrates our unwavering dedication to operating as a responsible corporate citizen. The VM Group is not just navigating the future, we are shaping it. We remain resolutely committed to proving every day that sustainable growth and human empowerment go hand-in-hand.



Corporate Governance

“

Exemplary corporate governance, data protection, and operational safety are non-negotiable pillars of our business.”

VM Group is a Mutual organisation. This means that it is owned and operated for the benefit of Members. Our commitment to the Mutual ownership model embraces the adoption and implementation of the best practices in Corporate Governance under the guidance and stewardship of our Board of Directors.

The VM Group 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' Responsibilities

The Board of Directors leads the VM Group through focus on the formulation of strategy, oversight of the systems of control and review of business performance across all subsidiaries and affiliates.

Consistent with sound principles of good governance, the Board has established a framework of authority levels which allows for delegation to Board Committees, the Group President and Executive Leaders with strong reporting accountability to the Board.

ROLE OF THE CHAIRMAN

The Board Chairman ensures the efficient operation of the Board, leads the formulation of strategic direction of VM Group and sets the tone at the top to foster open and honest debate to promote the long-term success of VM Group.

Corporate Governance

The Chairman is an independent director. This level of independence ensures strong accountability for the stewardship of VM Group. The Chairman also provides support and advice to the Group President & CEO.

Role of Group President and CEO

The Group President & CEO is an Executive function and serves as a Board Director - the only non-independent Director on the Board, with day-to-day responsibility for the financial and operational activities of VM Group. This role is directly responsible for the implementation of strategic decisions and drives the culture of the VM Group.

In addition, the Group President and CEO is directly charged with the responsibility to implement and monitor systems of control and efficiencies to ensure operational excellence of the VM Group.

THE BOARD OF DIRECTORS' MAIN FOCUS AREAS FOR 2025

During the financial year 2025, the Board's main duties and responsibilities were:

- ▶ **Strategic Oversight –**
The Board approved strategic plans to focus on capital adequacy, digital transformation, new products and improving customer experience.
- ▶ **Talent Management and Investing in our People –**
Ensuring an appropriate and effective framework for talent acquisition and development with adequate training and experience-based learning.

- ▶ **Legal and Ethical Compliance –**
Overseeing compliance with laws and regulations and monitoring changes in regulations with a forward-looking approach.
- ▶ **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. Ensuring that the systems of internal controls are effective and appropriate.
- ▶ **Assessing Subsidiary Performance and Operation –**
Oversight of subsidiary boards through the reporting framework to continuously assess the performance of subsidiaries with the Group and ensuring sound operating standards and compliance.

The Board is chaired by an independent Chairman, Mr. Michael McMorris. The other directors in 2025 were: Courtney Campbell, Matthew Wright, Brian Goldson, Maurice McNaughton, Michael McAnuff-Jones, Sandra Shirley-Auxilly and Jeanne Robinson-Foster.

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

▶ 	Transparent Governance
▶ 	Strategic planning and management/ Business Strategy Execution
▶ 	Finance
▶ 	Accounting/Auditing
▶ 	International Markets Expertise
▶ 	Information Technology/ Digital Transformation
▶ 	Risk Management
▶ 	Mergers and Acquisitions
▶ 	Legal and Regulatory
▶ 	Human Resource Management

Corporate Governance

[CONTINUED ►](#)

The VM Group and VM Financial Group held seven board meetings during 2025 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.

VM Group Board Meetings

INDEPENDENT DIRECTORS	NO. OF MEETINGS ATTENDED
Michael Morris (Chairman)	7/7
Matthew Wright (Deputy Chairman)	7/7
Phillip Silvera Retired May 30, 2025	4/4
Colin Wharfe Retired May 30, 2025	4/4
Brian Goldson	6/7
Maurice McNaughton	6/7
Michael McAnuff-Jones	7/7
Jeanne Robinson-Foster	6/7
Sandra Shirley-Auxilly	7/7
EXECUTIVE DIRECTOR	
Courtney Campbell	7/7

BOARD COMMITTEES



The Board has adopted Corporate Governance best practices which recognise the important role of Board Committees. Board Committees are appointed under delegated authority issued by the Board of Directors to carry out assigned duties and responsibilities.

These Board Committees operate under clear mandates and reporting obligations, to ensure more effective oversight, to assess issues and enable smarter decision-making. The Board Committee are:

- a) **Group Audit**
- b) **Group Corporate Governance, Nominations and Compensation**
- c) **Group Digital & IT Committee**

Each of these Committees' membership is comprised exclusively of non-executive Directors to ensure that the principle of independence is preserved at all times.

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) **Financial Reporting Integrity:** reviewing financial statements and supporting reports for accuracy and transparent disclosure.

Environmental, Social and Governance (ESG)

- b) **Robust Internal Controls:** Assessing and ensuring robustness of internal controls, and compliance with legal and regulatory requirements across the VM Group legal and regulatory requirements across the VM Group to achieve strong operating performance.
- c) **External Auditor – Independent:** In keeping with prudent management, consultations are held with external auditors on the state of internal controls across the companies within the VM Group.
- d) **Best Practices for Independent Internal Audit Function:** Direct and manage framework for the effectiveness of 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.

Committee Members and Attendance:

During 2025, the Committee held three meetings. The Group Audit Committee also held three joint meetings with the subsidiaries Audit Committees to assess the Audit Plan and the Control Environment. The Joint Meetings are used to monitor and ensure consistency across the Group.

VM Group Audit Committee Meetings

COMMITTEE MEMBERS	NO. OF MEETINGS ATTENDED
Sandra Shirley-Auxilly	3/3
Phillip Silvera	1/2
Colin Wharfe	3/3
Brian Goldson Appointed September 2025	1/1

THE GROUP GOVERNANCE, NOMINATION AND COMPENSATION COMMITTEE

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

- a. **Corporate Governance Framework:** Ensure effective Corporate Governance Framework, update periodically to align with best practices, continuous improvement in the Board Oversight and Accountability;
- b. **Board of Directors' Appointment Process:** Based on the approved Skills and Experience Matrix for Directors, identifying qualified candidates for nomination to the Board and for service on committees of the Board and to serve on subsidiary Board;

- c. **Board Evaluation and Performance:** Ensure effective mechanisms and tools are used to oversee the Board Performance Evaluation Survey, supported by implementation of effective action plan to address the areas of focus and improvement.
- d. **Incentive Schemes:** The formulation and oversight of performance incentive systems for all business units and;
- e. **Related Party Framework:** 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 2025 the Committee held five (5) meetings.

COMMITTEE MEMBERS	NO. OF MEETINGS ATTENDED
Michael McMorris	5/5
Jeanne Robinson-Foster	5/5
Brian Goldson	5/5
Michael McAnuff-Jones	5/5
Maurice McNaughton	3/5

Corporate Governance

THE GROUP DIGITAL & ICT COMMITTEE

The mandate of Group Digital and ICT Committee is to assist the Board of Directors to oversee the Information Technology Infrastructure, Software Deployment, Digital Adoption and be an overall driver of technology to achieve efficiencies and growth.

- a. Joint Accountability: Focus on 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. Information Technology Governance: 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. IT Business Model: 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.

This cross functional Committee which includes Directors from subsidiary boards aims to enhance sound decision-making to ensure that the expertise in Information Technology and Digital Transformation meets the needs of the VM Group for future growth.

VM Group Digital & IT Committee Meetings and Attendance

During 2025 the Committee held four meetings

COMMITTEE MEMBERS	NO. OF MEETINGS ATTENDED
Maurice McNaughton	4/4
Brian Goldson	4/4
Colin Wharfe	3/4

OTHER MEMBERS: Maya Walrond – Director - VM Money Transfer Services Ltd and Lila Rao Graham – Director - VM Building Society

VM Group Overall Governance Practices and Framework – Effective and Forward-looking Standards

The Board of Directors of VM Group remains committed to the adoption of Corporate Governance practices. Board Oversight supported by management accountability is the philosophy that guides the Board through its stewardship of VM Group at all times.





2025 Performance Highlights



**EXPANDING
FUNDING OPTIONS**
AVAILABLE TO **BUSINESS CLIENTS**
WITH THE LAUNCH OF THE
VMBS-DBJ LOAN



OVER
21,000
NEW MEMBERS JOINED
THE VM FAMILY IN 2025.



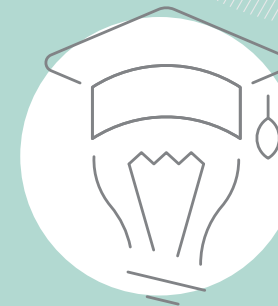
92.58%
OF **NEW MEMBERS & CLIENTS**
CHOSE TO CONDUCT THEIR BUSINESS
AT AN **ELECTRONIC CHANNEL**.



**TEAM ENGAGEMENT
SCORE IMPROVED TO
75%**
IN 2025.



58,000
LIVES IMPACTED BY THE WORK
OF THE **VM FOUNDATION**,
INCLUDING **3,000 LIVES IN**
24 COMMUNITIES IMPACTED
BY HURRICANE MELISSA.



77
STUDENTS BENEFITTED
FROM **SCHOLARSHIPS**
& **BURSARIES**.

2025 PERFORMANCE HIGHLIGHTS



SAVINGS FUNDS
INCREASED BY

\$18.49B



INVESTMENT PROPERTY
LOANS GREW BY

23.22%



LISTED THE FIRST
BOND IPO OF 2025
- RAISED

\$5.43B



13.74%

INCREASE IN AUM

30.85%

INCREASE IN PENSION LIVES



17%

INCREASE IN
REMITTANCE VOLUME

41%

OF REMITTANCES
TRANSFERRED DIRECTLY
TO BANK ACCOUNTS



CONTRIBUTION FROM
PROJECT MANAGEMENT
FEES INCREASED BY OVER

75%

President & CEO's Message



When we remain anchored in our purpose and committed to serving others, we emerge stronger.”

Stronger Through Service

The events of 2025 reminded us that strength is not measured by the absence of challenge, but by how we respond to it. Around the world, economies continued to adjust to shifting geopolitical realities, evolving customer expectations and persistent uncertainty. Here at home, Hurricane Melissa tested the resilience of communities across Jamaica and reinforced the importance of institutions that are prepared to stand beside people when they need them most.

For VM, these realities underscored a simple but enduring truth: service remains our greatest source of strength.

As we approached the conclusion of our three-year strategic planning cycle, we undertook a deliberate assessment of our business, our operating model and our readiness for the future. We challenged ourselves to think differently about how we operate, how we create value and how we position the organisation for long-term success.

The decisions we made were guided by a singular objective - to build a stronger, more efficient and more resilient VM, capable of serving our Members, Clients and communities even more effectively in the years ahead.



PRESIDENT & CEO'S MESSAGE

While the work of transformation is never complete, 2025 marked an important step forward. The progress achieved during the year reflects not only disciplined execution, but also the commitment of our Board, Team Members and leadership team to ensuring that VM remains well positioned for the future.

Delivering Stronger Core Performance

The VM Group recorded consolidated Net Profit After Tax (NPAT) of \$523.68 million. While this was below the reported outcome of \$823.45 million achieved in 2024, the prior year's result included one-off gains. When adjusted for these non-recurring gains, our underlying earnings performance improved by 17.84%, demonstrating continued strength in our core business operations.

This improvement in our core business was also reflected in the performance of the VM Financial Group, which recorded pre-tax profit of \$1.64 billion, representing growth of 23.05% over the \$1.33 billion achieved in 2024. The impact of taxes on both periods contributed significantly to the variance in reported net profit. Importantly, these results were achieved despite one-off restructuring costs associated with our transformation efforts, as well as increased expenditure to support Members, Team Members and communities affected by Hurricane Melissa and other external disruptions.

Even amid these challenges, the Group closed the year with total operating costs below the prior year's level, reflecting our continued focus on prudent expense management and operational discipline.

Our performance was underpinned by growth across several key areas of the business:

- ▶ **Net Interest Income increased by 23.71% to \$8.06 billion.**
- ▶ **Net Interest Income and Other Operating Revenue grew by 3.46% to \$15.36 billion.**
- ▶ **Members' Savings Funds increased by \$18.49 billion to \$171.45 billion.**
- ▶ **Funds Under Management grew by 8.25%, chiefly driven by strong growth in our pensions management business.**

The performance of the VM Building Society was particularly encouraging, with pre-tax profit increasing by 69.11% to \$1.32 billion. This reflects the continued success of our revenue diversification strategy, including the growth of our credit card portfolio and VM Business Services operations. The Business Services Unit delivered strong results in its core funding activities, recording growth in savings deposits of \$8.26 billion.

Our VM Money Transfer business also reached an important milestone with the successful completion of its transition to a fully franchised operating model. All seven locations are now franchised, creating a platform for sustainable growth and increased operational flexibility.

Another significant achievement during the year was the attainment of investment-grade ratings for the VM Financial Group from CariCRIS. VM Financial Group was assigned a CariBBB+ rating on the regional scale and jmA/jmA- ratings on the Jamaica national scale, reflecting adequate regional and

good national creditworthiness. The ratings recognised the strength of our market position, diversified business model and sound capitalisation.

Advancing Our Transformation Journey

A central focus of 2025 was the continued execution of our transformation agenda. As the financial services landscape evolves, institutions must continually reassess how they operate to ensure they remain responsive, efficient and capable of delivering long-term value. Throughout the year, we advanced initiatives designed to simplify processes, improve productivity and enhance the effectiveness of our operating model.

In November, we successfully completed Phase One of our Group-wide efficiency programme. While much of this work occurred behind the scenes, it marks a significant step in strengthening the organisation for the future. The benefits of these initiatives are expected to become increasingly evident beginning in 2026 as we continue to improve how we serve our Members and Clients while creating greater operational leverage across the Group.

Serving Our Members and Clients

For generations, VM has existed to help people build better futures. That purpose remains unchanged. Whether through home ownership, wealth creation, retirement planning, financial protection or everyday financial solutions, our role is to help our Members and Clients pursue their goals with confidence and security.

President & CEO's Message

[CONTINUED ►](#)


The trust placed in VM is one of our greatest responsibilities. Every account opened, every investment made and every home financed represents a decision by someone to entrust us with an important part of their financial journey. We never lose sight of that responsibility.

In keeping with our commitment to convenience, accessibility and customer-centred service, we launched our Group Online Onboarding platform in 2025. This innovation allows prospective Members and Clients to begin their relationship with VM seamlessly through any of our businesses, creating a more integrated and convenient experience.

We also expanded our suite of offerings with the introduction of five new products and services designed to meet the evolving needs of our Members and Clients. The growth of our active Member and Client base continued during the year, in keeping with our aspirational Journey to One Million programme. This strategic initiative is designed not only to attract new Members but also to deepen engagement, strengthen loyalty and create meaningful connections that encourage existing Members to grow with VM and recommend our services to others.

Investing in Our People

Our transformation journey is only possible because of the dedication, talent and commitment of our Team Members. Maintaining our position as an Employer of Choice remains a strategic priority. During 2025, we continued to invest in workforce capability, leadership readiness and employee engagement across the Group.

Key initiatives included the launch of our Junior Professionals Programme and the expansion of leadership mentoring and development opportunities. We also strengthened programmes designed to support the personal financial wellbeing of our Team Members, including retirement planning and pathways to home ownership.

These efforts contributed to an improvement in our Team Engagement score relative to the prior year. Our results continue to outperform the global average while remaining aligned with leading benchmarks across Latin America and the Caribbean.



Living Our Purpose Through Service

Our commitment to transforming lives extends beyond financial services. Through the work of the VM Foundation, we continue to support national development, youth empowerment, education and community resilience. Throughout 2025, our programmes strengthened communities across Jamaica while deepening the positive impact of the VM brand through partnerships with schools, libraries, community groups, public sector agencies and non-governmental organisations. Flagship initiatives such as VM Ignite, VM ImPact and VM EnRich continued to create meaningful opportunities for growth and development.

PRESIDENT & CEO'S MESSAGE

The passage of Hurricane Melissa, however, reminded us that our purpose extends beyond programmes and initiatives. In moments of crisis, institutions are called upon to demonstrate who they truly are.

Through the VM Foundation, our Team Members and our partners, we quickly mobilised to provide relief and recovery support to some of the hardest-hit communities across the island. Assistance reached 24 communities and four institutions across seven parishes, with more than 1,000 care packages distributed through the efforts of approximately 60 Team Member volunteers. Overall, nearly 3,000 lives were impacted through our emergency response initiatives.

The Foundation also committed significant resources to long-term recovery, including support for schools, families and community development programmes. These efforts reflected our enduring belief that when communities face hardship, we all have a responsibility to help rebuild and restore hope.

Looking Ahead

As we enter 2026, I remain optimistic about Jamaica's future and confident in VM's ability to help shape that future in meaningful ways.

The work undertaken during 2025 has strengthened us. We have improved our efficiency, strengthened our core businesses, enhanced our operating model and continued investing in the capabilities that will support sustainable growth.

Yet our ambitions extend beyond financial performance alone. We aspire to be an institution that creates opportunities,

expands access to financial wellbeing and contributes positively to the communities we serve. We aspire to be a trusted partner for our Members and Clients at every stage of their financial journey. And we aim to ensure that VM remains as relevant and impactful for future generations as it has been throughout our history.

The future will undoubtedly bring new opportunities and new challenges. But if there is one lesson that has consistently defined VM's journey, it is this: when we remain anchored in our purpose and committed to serving others, we emerge stronger. That conviction gives me great confidence in what lies ahead.



Thank You

To our Members and Clients, thank you for the trust you continue to place in VM.

To our Board of Directors, thank you for your stewardship and guidance.

To our Team Members across the Group, thank you for your dedication, resilience and commitment to excellence.

And to the communities we serve, thank you for allowing us to be part of your journey.

Together, we have navigated challenges, embraced change and laid the groundwork for future success. Together, we continue to prove that we are, indeed, stronger through service.

Courtney Campbell, CD

Group President & CEO

Leadership Teams

Strength through service is brought to life through leadership. Guided by a shared commitment to excellence, accountability, and innovation, our Executive Leadership Team continues to steer VM Group with purpose, ensuring we remain responsive to the needs of our Members and Clients while delivering sustainable growth and long-term value.

Group Executives



COURTNEY CAMPBELL

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



PAUL ELLIOTT

ACIB, 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
VM Group

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



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

The VM Building Society Leadership Team is united by a shared commitment to becoming stronger through service. Together, we work to create lasting value for our Members and Clients, strengthen communities across Jamaica and the diaspora, and help every generation build a more secure financial future.



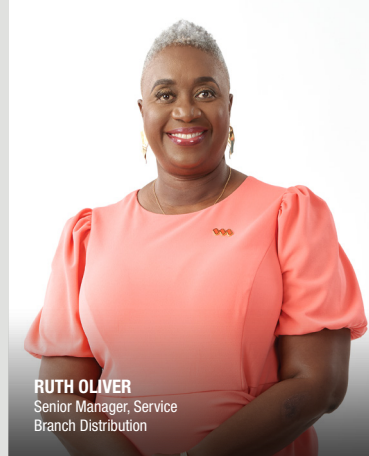
VM BUILDING SOCIETY LEADERSHIP TEAM ► CONTINUED



DEBBIE DUNKLEY
Vice President, Finance



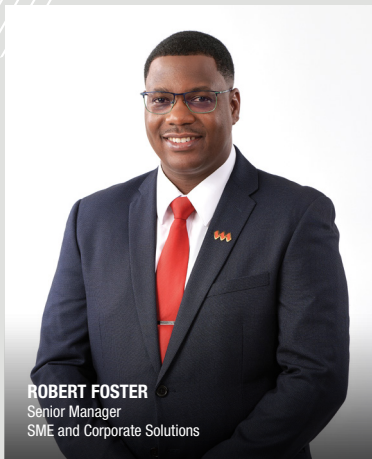
ANDREA FYFFE-LYNCH
Assistant Vice President
Card Services



RUTH OLIVER
Senior Manager, Service
Branch Distribution



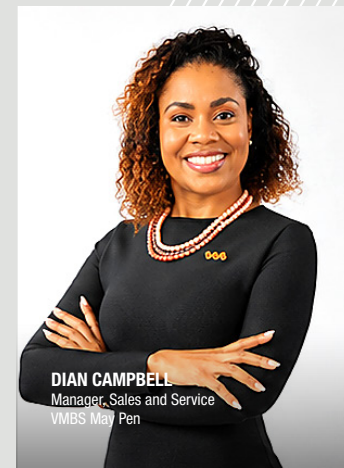
FRANKLYN MOULTON
Senior Manager
Sales



ROBERT FOSTER
Senior Manager
SME and Corporate Solutions

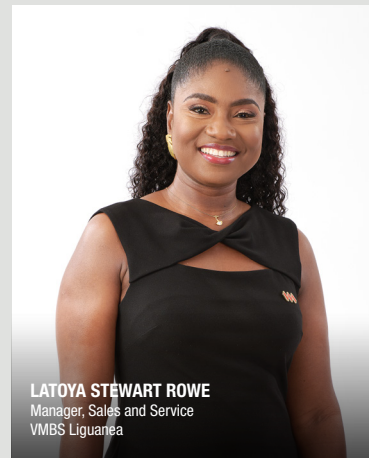
Branch Leadership

Western Region



Branch Leadership

Eastern Region

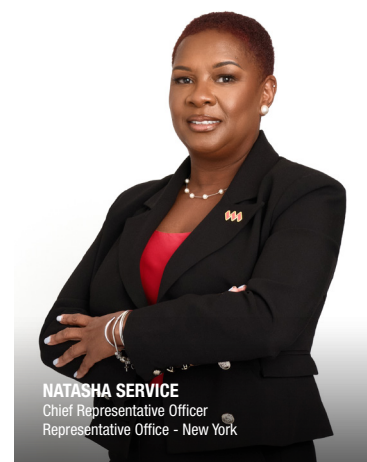


VMBS Overseas Rep Offices Teams

Florida



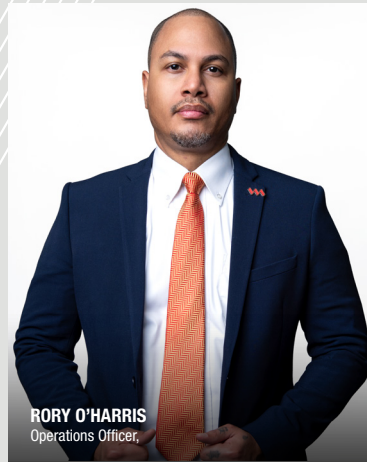
New York



United Kingdom



DONNA BROWN
Senior Manager
Operations and HR Services



RORY O'HARRIS
Operations Officer



KHORI HYDE
Business Development Lead



RYAN BOYD
Customer Service Representative

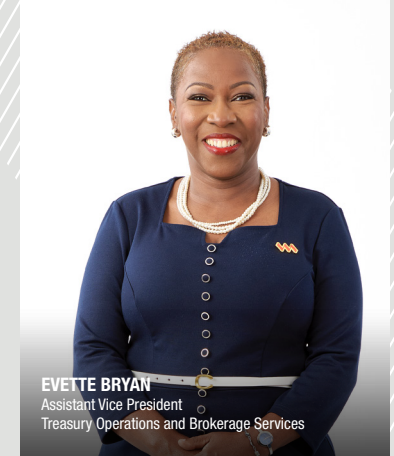


EBRUWIIYOR SODJE
Customer Service Representative

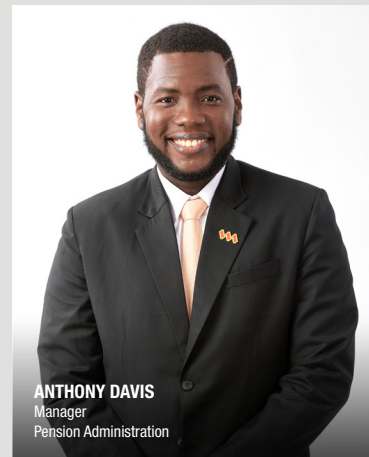


JUDYANN HENRY
Customer Service Representative

VM Investments Limited Leadership Team



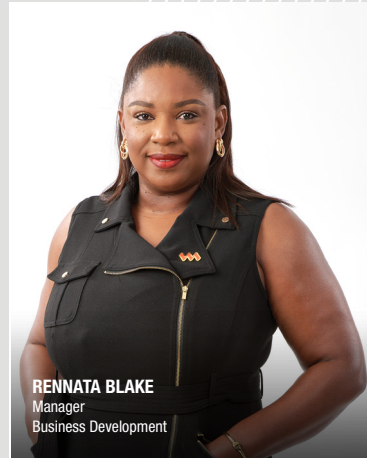
VM Pensions Management Leadership Team



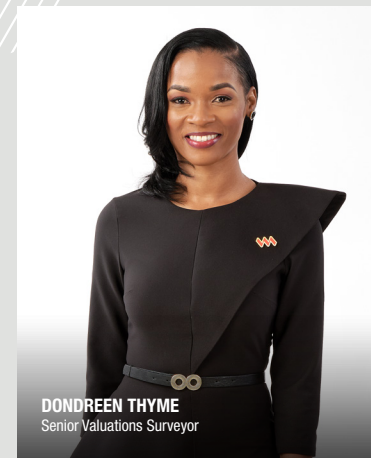
VM Finance Leadership Team



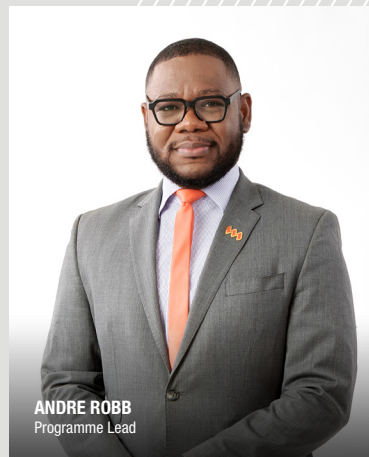
VM Money Transfer Services Leadership Team



VM Property Services Leadership Team



VM Foundation Team



Management Discussion & Analysis

MD&A



Every milestone achieved,
every challenge faced,
and every commitment
demonstrated in 2025 made
us stronger, and better
positioned the Group to keep
serving now and in the future.”

Management Discussion & Analysis

INTRODUCTION

The VM Group is a global financial institution that is stronger through the service it provides to transform the lives of Jamaicans at home and overseas. Even with 147 years of unbroken service, the VM story is still being written. Drawing on its diverse business lines across multiple subsidiaries and associated companies, the VM Group is on a mission to build a strong, diversified yet integrated Group. This sustainable business that is being built is driven by a Customer-Centric Growth Strategy, built by innovation and fortified by a robust risk and efficient framework.

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.

MEMBERS AND CLIENTS

- ▶ Motivate us to provide common-sense, 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 2025 made us stronger, and better positioned the Group to keep serving now and in the future.

The discussion that follows provides a comprehensive overview of some of the milestones, challenges and commitments over the period. It highlights the Group's strategic direction and performance outcomes across key dimensions of the business for 2025. This window provides a deeper understanding of the drivers of our 2025 performance outcomes and is complemented by the details provided in our Financial Statements and related Notes.

Our Operating Environment

Our efforts in 2025 created a sound footing which allowed us to navigate the economic uncertainty which now forms the 'climate' in which we operate. Jamaica was just resurfacing from the negative impact of Hurricane Beryl when Hurricane Melissa hit, eliminating some of the gains and dug an economic crater, the impact of which was still being assessed at the close of 2025. Notwithstanding Jamaica's challenge, the other territories in which we operate seemed to have held their own with positive economic growth, though lower than 2024. Additionally, while there were political & 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 2025 but are expected to impact the environment in 2026 and beyond.

Below are tabular and graphical summaries of the major economic occurrences and developments during the financial year 2025 in various operating regions as well as preliminary forecasts for 2026 and 2027.

Management Discussion & Analysis

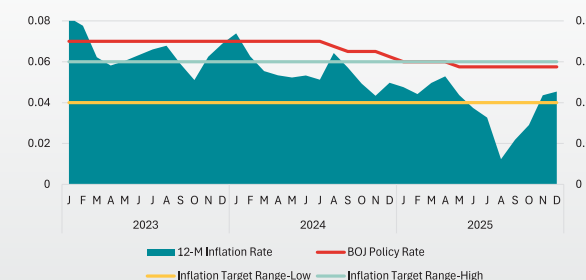
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Key Economic Indicators by Country – Actual & Forecast

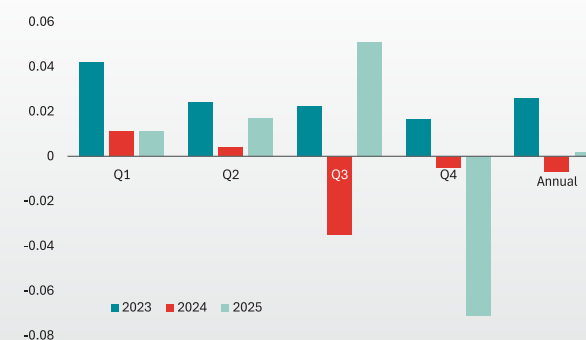
Country	Variable (%)	2023	2024	2025	2026F	2027F
Jamaica	GDP Growth Rate	2.60	(0.70)	(1.30)	(2.30)	3.70
	BOJ Policy Rate	7.00	6.00	5.75	5.75	5.00
	Inflation Rate	6.69	4.97	4.54	6.10	5.00
	Unemployment Rate	4.38	3.50	3.30	4.00	3.50
Barbados	GDP Growth Rate	4.20	4.00	2.70	2.00	2.00
	CBB Policy Rate	2.00	2.00	2.00	2.00	2.00
	Inflation Rate	3.20	1.40	0.70	2.40	2.40
	Unemployment Rate	8.30	7.10	6.60	7.80	7.90
USA	GDP Growth Rate	2.90	2.80	2.10	2.20	1.90
	Fed Funds Rate	5.50	4.50	3.75	3.40	3.10
	Inflation Rate	3.40	2.90	2.70	2.40	2.10
	Unemployment Rate	3.60	4.10	4.40	4.40	4.20
UK	GDP Growth Rate	0.10	1.10	1.10	1.30	1.50
	BOE Policy Rate	5.25	4.75	3.75	3.50	3.60
	Inflation Rate	7.30	2.50	3.40	2.70	2.00
	Unemployment Rate	4.30	4.40	5.10	4.90	4.80
Canada	GDP Growth Rate	1.10	1.50	0.10	1.40	1.70
	BOC Policy Rate	5.00	3.25	2.25	2.25	2.00
	Inflation Rate	3.90	1.80	2.40	1.90	2.10
	Unemployment Rate	5.40	6.70	6.80	6.30	6.20

Movement in Key Economic Indicators for Selected Countries

Inflation trended within the BOJ Target range



GDP Growth gains reversed after Hurricane Melissa



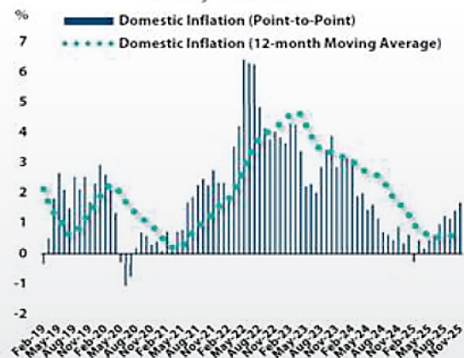
MANAGEMENT DISCUSSION & ANALYSIS

Real GDP Growth
January – December



Sources: Central Bank of Barbados and Barbados Statistical Service

Domestic Inflation
January – November



Source: Barbados Statistical Service

Industry Overview

In an ever-evolving macroeconomic environment Jamaica's financial sector demonstrated resilience, stability and strength in 2025, diligently navigating a challenging economic environment, geopolitical uncertainty and weather-related disruptions. Despite the negative impact of Hurricane Melissa on investor sentiments and the redirecting of investable funds to rebuilding, and the related outcome of a downturn in the domestic stock market, much of the sector remained strong. For example, the sector's total assets grew by an impressive 9.1%, fuelled by healthy increases in both loans, and investments and deposits grew by 12.7% reflecting a clear signal of continued public trust and confidence in our financial institutions.

Firms in the securities sector also signalled growth with more than 6% increase in funds under management and its strong capital and liquidity buffers underscore the sector's ability to effectively navigate market uncertainties, allowing its operational strength to shine through, while safeguarding customer assets.

This is true of your Group's investments and pensions management business as Funds Under Management grew by 8.3% relative to 2024, more than 50% faster than the industry).

Economic Outlook

The global economic outlook for 2026 is marked by a blend of opportunities and challenges. While factors such as strong technological investment and accommodative financial

conditions initially created a positive outlook, new geopolitical tensions in the Middle East have introduced significant headwinds, new risks, thus tempering earlier optimism. The baseline forecast now points to global growth of 3.1% and a temporary rise in inflation. We recognise that these external pressures, especially if they escalate, could slow economic activity and particularly affect developing nations including in the Caribbean. Yet, our strategy remains focused on building a resilient, stable, and sustainable business that is well-prepared to navigate this evolving global environment.

VM GROUP'S FINANCIAL PERFORMANCE

In a year of dynamic change both locally and globally, the VM Group delivered a significantly improved financial performance in 2025, a direct result of our focused strategy and mission-driven execution. We achieved growth across our key financial indicators, making us stronger to serve Jamaicans at home and abroad and creating a solid foundation for future success.

A Year for Core Growth and Profitability

Our performance story for 2025 is best told through our continued growth in profitability and revenue. The Group's Pre-tax Profit improved by an impressive 63.20%, while Total Operating Revenue grew by \$513.86 million compared to the previous year. This result was powered primarily by growth in Net Interest Income, as well as revenue driven by the effective

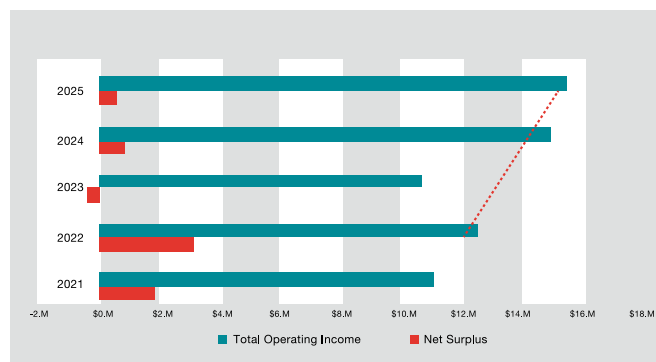
Management Discussion & Analysis

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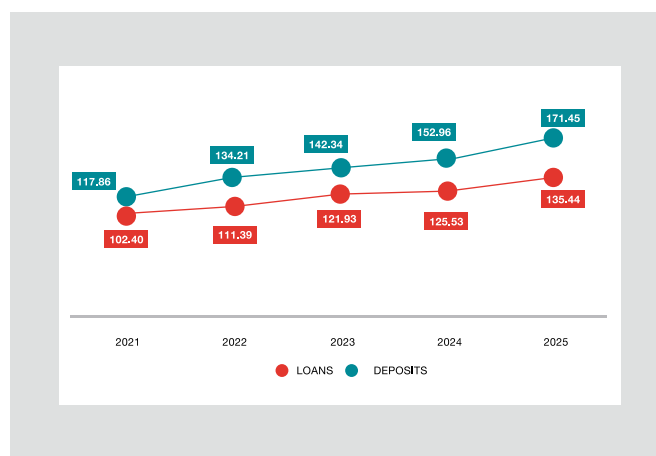
execution of our trading agenda. While we continue to strategically invest in our people, technology, and enhanced customer touchpoints in order to improve the quality of service we provide to our Members and Clients, we were able to achieve a marginal reduction in Total Operating Expenses.

VM Group Summary of Results	2025	2024
	\$'M	\$'M
Net Interest Income	8,058.74	6,514.22
Net Fees & Commission	1,935.20	2,551.75
Other Operating Income	5,367.43	5,781.55
Total Operating Revenue	15,361.37	14,847.52
Total Operating Expenses	(14,730.29)	(14,769.30)
Share of Associates' Profit	239.85	455.45
Pre-Tax Profit	870.93	533.67
Income Tax	(347.26)	289.78
Net Profit	523.68	823.45

VM Group Consolidated Revenue & Surplus (Millions)



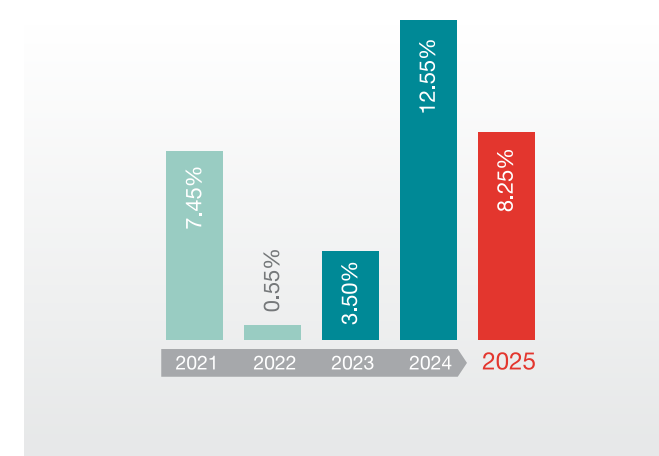
Loans and Deposits Portfolios (J\$'B)



Deepening Our Members' Trust

Our Members and Clients continued to place their confidence in us for their most important financial goals. This trust was reflected in the \$18.5 billion growth in savings deposits, which increased our share of the industry's deposits to nearly 8%. We were also proud to help our Members achieve their dreams, growing our loan portfolio to \$135.45 billion as we financed new homes and supported the growth of small and medium-sized enterprises. Furthermore, our innovative iSave products continued to attract new Members, simplifying the path to saving.

Assets Under Management: Annual Growth Rate



Expanding Wealth Creation and Financial Inclusion

We significantly advanced our commitment to helping Jamaicans build wealth and plan for the future. Our Assets Under Management grew by almost \$10B (9%), as we welcomed nearly 3,150 new investment & pension clients. Our pension portfolio, in particular, grew faster than the market, increasing our market share and underscoring our dedication to the national mandate of financial inclusion by helping more Jamaicans secure their retirement.

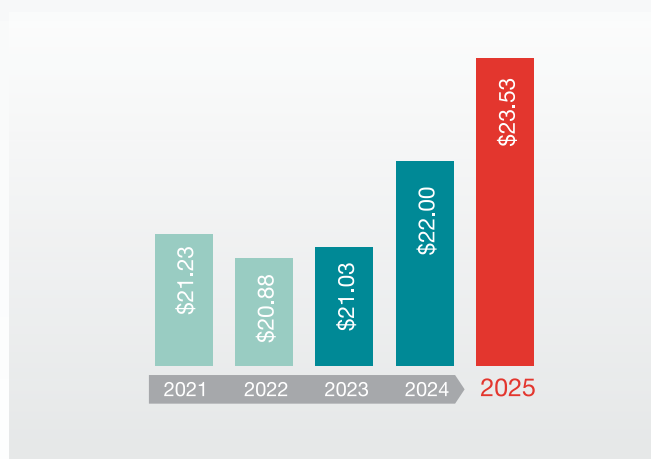
Strengthening Our Global and Regional Presence

Our support for the diaspora and our regional expansion gained significant ground. Our UK subsidiary, VM Finance, continued its strong performance with a total of GBP10.4 million in loans advanced, while our strategic partner, Carilend, outperformed its targets across the Caribbean and BCIC recovered from the impact of Melissa to generate positive returns to the VM Group. In a major strategic move, we officially launched VM Wealth Barbados, expanding our footprint and client base in the Eastern Caribbean. Through targeted initiatives like “Bank on the Move,” our overseas presence in the UK, US, and Canada successfully onboarded nearly 4,100 new accounts, deepening our connection with our Members abroad.

Innovating in Real Estate and Remittances

Additionally, as we seek to advance the VM Advantage in Real Estate Wealth Creation for our Members and Clients, we established our Real Estate subsidiary designed to effectively manage our portfolio of properties, grow our revenue from our VM Property Services subsidiary and increase the year over year return from our strategic alliance with KPREIT. To enhance our real estate wealth creation services, we established a dedicated subsidiary to manage our property portfolio effectively. At the same time, our VM Money Transfer Services saw remittance transactions increase by 17% growing our market share and highlighting the success of convenience of our “direct-to-account” transfer option used by 41% of our remittance customers.

VM Group Capital Reserves (J\$'B)



Our pool of Capital and Reserves was strengthened in 2025 by over one and half billion dollars, 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 \$40.96 billion, our strongest year over year growth since 2021.

STRONGER THROUGH SERVICE TO OUR MEMBERS AND CLIENTS

VM Group's purpose as outlined in our mission is “... to empower our Members and Clients globally to achieve financial well being...” and the related strategies that 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.

Accordingly, in 2025 we:

- ▶ delivered innovative financial solutions that are aligned to the needs of our Members and Clients, perform as represented and provide value for money. Our products and services are complemented by a service experience that our Members and Clients have come to expect at every touchpoint.
- ▶ assured our Members & Clients that whether they are at home or on the go, our digital solutions deliver flexibility, making it easy for them to connect with us and manage their accounts securely, efficiently and at their convenience.

Management Discussion & Analysis

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- demonstrated our commitment to financial literacy which reflects our belief that informed customers are better positioned to achieve sustainable financial well-being.

VM is Stronger Through Service: We Delivered Needs-Based Solutions to Our Members & Clients

In 2025, our commitment to being “Stronger Through Service” was demonstrated by our relentless focus on delivering financial solutions tailored to the unique realities of our Members and Clients. To ensure our offerings worked effortlessly for the people we serve, we expanded our product range and introduced powerful new features. Throughout the year, the VM Group launched five new and enhanced products, deliberately designed to empower our Members with the convenience, flexibility, and intuitive digital access they need to navigate life’s changing demands.

Innovating for Every Stage of the Journey

Recognising that financial empowerment takes many forms, we broadened our support across key life milestones and business phases. We also championed academic advancement with the launch of our Professional Education Loan. Furthermore, we continued to cultivate a culture of financial wellbeing, enhancing our suite of iSave products and streamlining our wealth management options to make robust saving and investing habits accessible and rewarding at every income level.

Agile Support When It Matters Most

We believe that true service means delivering solutions that are fine-tuned to our Members’ immediate environment. We officially launched our Business Services Unit, deploying skilled professionals to help enterprises deftly navigate their business landscape and operational challenges. We also equipped these businesses with new financial tools, introducing the USD VM Visa Business Platinum Credit Card to help them seamlessly manage daily expenses and enhance their capacity to finance overseas purchases.

When our communities need us most, we take action. Following the devastation of Hurricane Melissa in Western Jamaica, we stood firmly with our affected Members as they began to rebuild. To provide critical breathing room during their recovery, we offered the option to defer loan principal payments for up to six months and suspended selected fees, ensuring our Members felt supported in a time of urgent need.

Securing Futures

At the VM Group, we view retirement planning as more than a savings target—it is a mindset rooted in discipline and long-term vision. As more Jamaicans embrace the importance of securing their financial future, VM Pensions Management proudly expanded its reach. During the year, we successfully onboarded three new superannuation clients and grew our pension lives by just over 3,260, empowering a broader pool of Jamaicans to confidently look forward to retirement.

Reconnecting and Rebuilding Ties

The ultimate measure of our service impact is the enduring trust of our Members. Driven by our promise to deliver value at every stage of the customer journey, we launched a thoughtful strategic initiative to reconnect with Members and Clients we had not heard from recently. By simplifying our internal operations to create a seamless account reactivation process, and extending warm invitations to rediscover the VM difference, we welcomed them back into the fold. The response was a resounding validation of our approach: over 4,300 Members and Clients reengaged with the VM Group in 2025—a powerful testament that we are, indeed, Stronger Through Service.

VM is Stronger Through Service: We Engage & Listen to our Members and Clients

At the VM Group, true service begins with listening. In 2025, we reinforced our commitment to our Members and Clients by prioritizing active engagement and ensuring their voices directly shaped our business strategies. By providing multiple, accessible avenues for feedback, we transformed routine customer interactions into pathways to continuous improvement.

MANAGEMENT DISCUSSION & ANALYSIS

Continuous Data-Driven Listening

We ensured our Members' perspectives were continuously captured through a comprehensive suite of contact-free feedback channels.

From real-time "How did we serve you today?" spot checks and comprehensive quarterly Net Promoter Score (NPS) and Customer Service surveys, to our always-on Member Engagement Centre, we maintained a constant pulse on customer sentiment. Crucially, our robust Complaints Management Portal allowed us to record, monitor, analyze, and report all feedback across the Group. This data-driven capability empowers our Team to accurately pinpoint our areas of excellence while identifying specific opportunities for improvements.

Transforming the Everyday Through Action

Listening is only effective when matched with decisive action. We actively tackled customer irritants, seeking resolutions that practically and thoughtfully addressed their concerns. While we are not where we want to be, we are proud to report that during the 2025 review period, our dedicated Team successfully addressed and resolved 97% of all received complaints.



A Blueprint for Exceptional Customer Experiences

Every interaction we have is guided by our Group-wide Customer Experience blueprint. Designed in 2024 and heavily informed by direct Member feedback, this framework ensures that whether our clients are connecting through our Member Engagement Centre or across our various physical and digital channels, they receive service that is contextual, consistent, and highly efficient—no matter where they are in the world. To elevate this experience we go beyond simply hearing our customers; we seek to deeply understand them. By analyzing customer profiles—including personal attributes, behaviours, motivations, and core values—we empower our Team to proactively design needs-based financial solutions and optimize the service channels that work best for their lifestyles.

Committed to Doing More

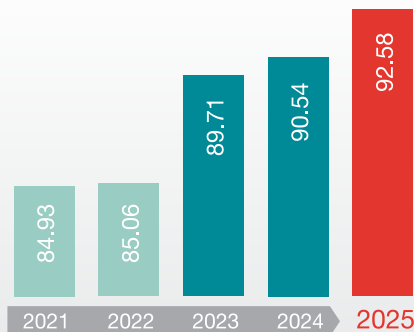
The outcomes of our customer surveys and recent industry recognition serve as vital temperature checks for our business. We were pleased to be awarded second place out of 44 companies in the Customer Focus category of the Bureau of Standards National Quality Awards. This honour, coupled with our steadily improving satisfaction scores averaging over 80% in 2025, is incredibly encouraging. However, we view these achievements not as a finish line, but as a foundation. We remain committed to elevating our standards, engaging deeply, and proving every single day that the VM Group is truly Stronger Through Service.

Management Discussion & Analysis

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VM IS STRONGER THROUGH SERVICE: WE PROVIDE DIGITAL SOLUTIONS TO OUR MEMBERS & CLIENTS

New Members Transactions via Electronic Channels



Our customers are the driving force behind everything we do. In 2025, we accelerated our digital transformation to deepen our relationships with both individual and business Members. To achieve this, we took deliberate and strategic steps to optimize our data analytics, expand our agile capabilities, build robust digital skills, and embed a true digital-first culture across the VM Group.

Empowering Seamless, “Anytime” Access

Recognising that convenience is a cornerstone of exceptional service, we significantly enhanced how our Members begin and build their journey with us. A major milestone in 2025 was the introduction of Group Online Onboarding, a dynamic web-based, self-serve portal that empowers customers to initiate their relationship with us from anywhere, at any time. This innovation facilitates a frictionless, one-time onboarding experience across multiple VM entities. Similarly, the launch of VM Wealth’s Digital Onboarding Platform expanded our Wealth Clients’ ability to access our people, products, and services.

We also expanded our everyday banking convenience. We added four new locations to our ABM network, bringing our total to 39 machines to serve our communities better. Furthermore, we strengthened our Direct-to-Account remittance option, allowing more customers to bypass physical locations and safely receive funds directly into their accounts. The percentage of customers capitalizing on this convenient service climbed from 34% in December 2024 to 41% in 2025.

Elevating the User Experience

To ensure our digital environments are as intuitive as they are secure, we executed key upgrades across our clientfacing platforms. We enhanced our Pensions Management digital platforms for Superannuation Fund members, which successfully streamlined information and document flows.

This improved overall member experience directly resulted in increased utilization of the online portal. Our IPO Edge Platform also received critical enhancements, bolstering security controls, improving processing efficiency, and elevating the client onboarding and transaction experience for our investors.

Future-Proofing Our Infrastructure

True digital service requires a world-class backend. In 2025, we upgraded our core Payment System to ensure full compatibility with global ISO 20022 standards, guaranteeing that our financial obligations to stakeholders are consistently honoured with promptness and efficiency. We also modernised the Investment Management System used by our Wealth and Pensions arms, driving greater operational efficiency and enabling seamless integration with third-party applications.

A Resounding Vote of Confidence

The ultimate measure of our digital strategy is the adoption by the people we serve. We are proud that our Members and Clients continue to actively embrace these innovations. By the close of 2025, a remarkable 89% of our transacting Building Society Members were actively using our digital channels—up from 86% the previous year. Even more

MANAGEMENT DISCUSSION & ANALYSIS

notably, an impressive 92.58% of new Members chose to conduct their business with us via an electronic channel.

Stronger Through Service: We Provide Financial Education Because We Care

At the VM Group, providing financial education is far more than a corporate strategy—it is our fundamental purpose and the ultimate expression of our “Care Up” culture. Because we genuinely care about the financial well-being and upward mobility of our stakeholders, we paired our 2025 financial solutions with a robust, comprehensive Financial Education programme. Our goal is simple: to empower our Members, prospective clients, and the communities we serve locally and globally to make confident, informed financial decisions.

Omnichannel Engagement

This commitment to empowerment was on full display throughout 2025. We actively engaged our audiences through dynamic, face-to-face town halls and seminars, while simultaneously scaling our global reach through a rich suite of digital avenues. From insightful newsletters, blogs, and website content to interactive webinars and high-quality video productions, we ensured that vital financial knowledge was always accessible.

Empowering the Next Generation

At the heart of our mission to transform lives is the desire to build early financial resilience. Through our Financial Education to Empower (FETE) Youth Ambassador Programme, we directly engaged tertiary students, equipping tomorrow’s leaders with the tools they need to succeed. This was complemented by targeted financial inclusion initiatives driven by the VM Foundation, which brought essential financial literacy directly into numerous schools and grassroots communities.

Reaching the Diaspora: “Bank on the Move”

Because true service knows no borders, our “Bank on the Move” initiative took our educational thrust directly to the Diaspora across North America and the United Kingdom. By facilitating intimate, face-to-face engagements in predominantly Jamaican-based communities overseas, we provided vital, trusted guidance for individuals eager to invest in their homeland or plan their return to Jamaica.

Measurable Impact

We back our purpose with disciplined execution. By the close of 2025, the VM Group had successfully completed 84 distinct financial education initiatives throughout Jamaica. Achieving an impressive 87% implementation rate for the year, these efforts stand as a testament to our promise: we transform lives, and we are truly **Stronger Through Service**.

STRONGER THROUGH SERVICE TO OUR TEAM MEMBERS

Our People



At the VM Group, our **people are the cornerstone** of our success and **deliver on our purpose every day** allowing us to build a strong, robust, and sustainable organisation for today and the years to come. We fundamentally believe that our ability to serve our Members and Clients is a direct reflection of how well we serve our own people. To be a market leader, we must first be **Stronger Through Service** to our Team Members. In 2025, Group HR transitioned from building systems to transforming experiences, focusing on the capability, leadership, and resilience needed to power the

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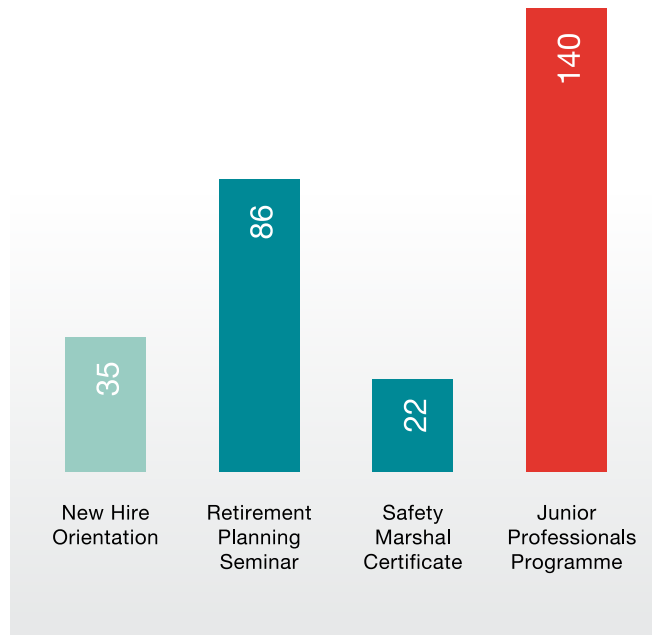
Group's ambitions. By prioritizing the needs of our workforce, we are cultivating a team that is engaged, empowered, and ready to deliver on our growth agenda.

Becoming Stronger Through Digital Service Innovation

We became Stronger Through Service in 2025 by changing how our Team Members interact with the Group. We moved away from manual, email-driven support towards a modern, digital HR workspace. With the launch of our cloud-based HR Service Portal, we provided our teams with clearer, faster and more transparent ways to access policies and HR services.

This spirit of service extended to our recruitment, where the new VM Group Career Centre and Candidate Manager platform modernised how we attract talent, offering a seamless and professional digital experience from the very first touchpoint. By automating routine administrative tasks, we have freed up our HR capacity to focus on higher value, business-facing support, ensuring our leaders and teams receive the strategic partnership they need to excel.

2025 Training Programmes: # of Team Members Trained



Building Capability: A Workforce Stronger Through Service

Investing in the growth of our people is how we ensure VM remains Stronger Through Service for years to come. In 2025, we significantly expanded our sales and growth-critical capacity, onboarding 71 external referrers and four Integrated Selling Officers. We also scaled our future talent pipeline through the Junior Professionals Programme, which now boasts 140 active participants.

Our commitment to ensuring that we have the talent and skills required to support our business objectives and address the needs of our Members & Clients is reflected in ability to retain 99.3% of our High-Potential Team Members. We protect this critical talent by ensuring our Total Rewards programme is robust and fair. As such, in 2025, we revised our Merit Pay and executive incentive structures to more effectively reward high performance and strengthen governance. This discipline ensures that at VM, excellence is always recognised and rewarded.

Because exceptional service requires an exceptional team, we continued to champion our Talent Management programmes such as cross-training, filling vacant positions internally and succession planning. These initiatives have forged meaningful career pathways and fortified our internal operational resilience.

MANAGEMENT DISCUSSION & ANALYSIS

“Care Up”: The Heart of Being Stronger Through Service

Our “Care Up” cultural belief is an expression of being Stronger Through Service. Throughout 2025, we delivered a slate of positive employee experiences, engaging our teams through over 25 island-wide events. This commitment was most clearly demonstrated during and after Hurricane Melissa. In one of the largest internal support mobilisations in our history, we served our affected Team Members—particularly in Western Jamaica—with care packages, grants, and loan moratoria, proving that VM stands by its people in their times of greatest need.

This service-driven culture has led to a vote of confidence from our workforce. In 2025, the VM Group achieved a Human Resources Engagement Index (HREI) score of 75%—our highest in four years and well above the global average of 67%.

Resilience through Safety and Governance

Ultimately, being Stronger Through Service means giving our Team Members the peace of mind to do their best work. That is why creating a safe, welcoming, and supportive environment is so important to us. In 2025, our Safety, Intelligence & Physical Security (SIPS) team focused on proactive care—streamlining our safety systems and empowering 22 newly certified Safety Marshals across our locations. By bringing our logistics and security teams closer together, we created a seamless support network. This allowed us to respond to external challenges with compassion and agility, ensuring every Team Member always feels secure and cared for at work.

Through these deliberate actions, we have proven that when we are Stronger Through Service to our Team Members, there is no limit to what the VM Group can achieve.

STRONGER THROUGH SERVICE TO OUR COMMUNITIES

At the VM Group, our identity as a Mutual organisation is the heartbeat of everything we do. Our purpose extends far beyond financial services; it is rooted in a fundamental, ingrained duty to transform the lives of the communities we serve. The VM Foundation, our philanthropic arm, brings this mutual mission to life.

Through the unwavering dedication of our volunteers, board members, trusted partners, and pensioners, we delivered sustainable social and financial literacy initiatives that positively impacted over 58,000 Jamaicans. This vital nation-building work was bolstered by the incredible generosity of our own VM Team Members, who personally donated over JMD \$2.9 million to the Foundation—a profound demonstration of our “Care Up” culture in action.

Empowering the Next Generation

We believe that investing in youth is the most effective way to secure a thriving future for our communities. In 2025, our youth development pillars reached new heights:

VM Scholars:

Education remains the key to unlocking potential. Through our streamlined online portal, we processed hundreds of applications and disbursed approximately JMD \$8.1 million in scholarships and bursaries to 77 stellar students. To deepen our impact, we introduced five new tertiary bursaries (valued at \$250,000 each) and, thanks to the generosity of our VM Pensioners, increased the value of our Pensioners’ Bursary.

VM Ignite & EnRich:

We continue to champion holistic development and financial literacy. Through VM Ignite, we partnered with institutions like Sam Sharpe and Shortwood Teachers’ Colleges to guide 600 students through a transformative nine-week leadership and financial mastery journey. Meanwhile, our VM EnRich after-school initiative fueled the ingenuity of future social entrepreneurs, culminating in an expo where we disbursed JMD \$440,000 in seed funding to top high-school ventures.

VM UpLift:

On the field, we proudly hosted the Under-13 Football Competition for 25 primary schools in western Jamaica. Impacting 600 students and coaches, the tournament reinforced the values of teamwork and healthy competition, with Corinaldi Avenue Primary securing a third consecutive championship.

Management Discussion & Analysis

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Catalyzing Community Transformation

To drive targeted, grassroots change, we proudly launched the VM ImPact Community Grants Programme. With independent evaluation support from the Planning Institute of Jamaica (PIOJ) and the Social Development Commission (SDC), we awarded substantial grants to 12 diverse, community-driven projects across seven parishes. These initiatives provide crucial support to vulnerable populations, including persons with disabilities and at-risk youth.

We also disbursed approximately JMD \$2.7 million in Small Grants to schools, churches, and local clubs, proving that consistent, targeted support creates massive community transformation.



Compassion in Crisis: Our Hurricane Melissa Response

Our commitment to being **Stronger Through Service** is tested most during times of crisis. Following the devastation of Hurricane Melissa in October 2025, the VM Foundation rapidly activated our Emergency Relief Fund. Over seven relief field days, 60 passionate VM volunteers mobilised to distribute 1,200 care packages containing essential food, hardware, and hygiene supplies. This swift action delivered immediate relief to approximately 3,000 people across 24 heavily impacted communities. Because true service is enduring, our recovery and rebuilding efforts will carry over into 2026 to help restore normalcy for these families.

Looking Ahead

2025 was a year of profound impact, but our work is far from finished. As we look to 2026, the VM Foundation remains steadfast in our mutual mandate to uplift and empower. We will continue to expand our reach and forge deeper partnerships until all Jamaicans are empowered to achieve financial security and an improved quality of life.

OUR BUSINESS LINES

Because our Members and Clients are at the heart of everything we do, the VM Group is strategically organised to provide comprehensive financial solutions for every phase of life. This segment of the Management Discussion and Analysis outlines our performance throughout 2025 across our family of 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 Innovations (VMI). Our ongoing journey to build a Strong Integrated Group is fuelled by the individual success of each business line, maximized by our ability to unlock powerful synergies and provide evidence that the VM Group is **Stronger Through Service**.

VM Building Society (VMBS)

In 2025, VM Building Society (VMBS) accelerated its strategic transformation, proving that sustainable growth is the direct result of putting our Members first. Navigating an evolving financial landscape, we reinforced our commitment to deepening relationships, expanding key business lines, and elevating our digital ecosystem. By ensuring our solutions continuously adapt to the changing needs of our Members, VMBS delivered robust asset and revenue growth while remaining true to our foundational purpose: serving our communities with unwavering dedication.

Financial Indicator	2025 Performance
Operating Revenue	Up 15.72% (+\$1.69B)
Savings Fund	\$172.23 Billion
Loan Portfolio	\$132.43 Billion
Total Assets	Up 14.57% (+\$27.02B)
Total Capital & Reserves	\$24.01 Billion
Net Profit	\$876.16 Million

2025 Financial Performance Highlights

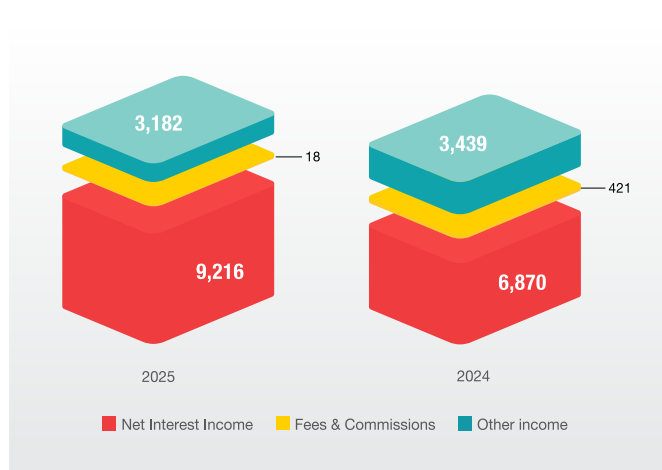
Driven by strong mortgage originations, Card & Payment services growth, and deep customer trust in our Savings Fund, our core balance sheet remains strong, consistently exceeding regulatory capital requirements.



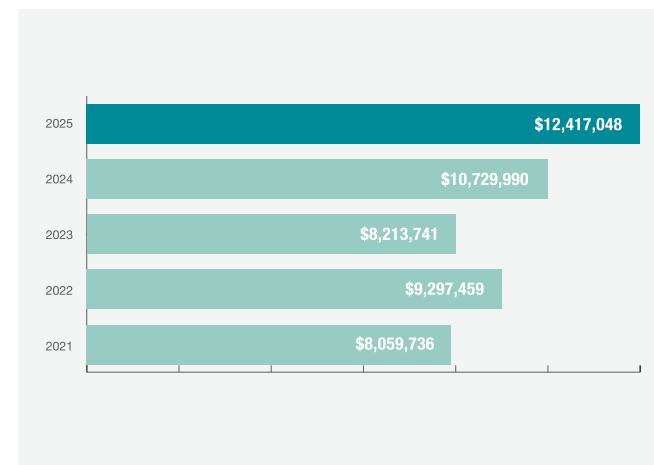
Management Discussion & Analysis

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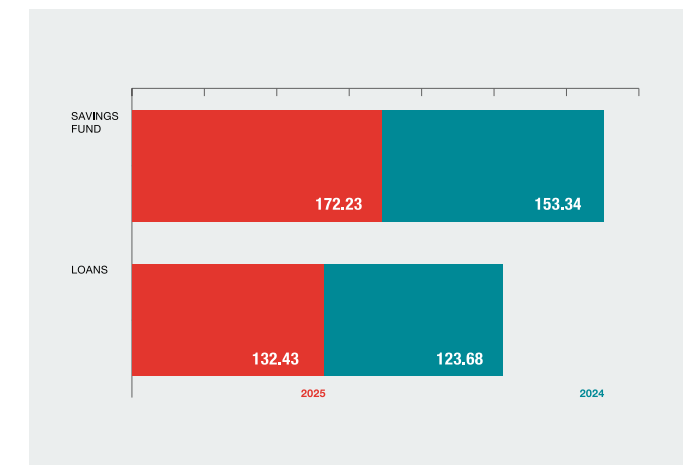
Distribution of Revenue (\$'M)



Operating Revenue (\$'000)



Loans & Deposit (\$'B)



Service-Driven Innovation: New & Enhanced Services for our Members

To empower our Members with seamless, “anytime” banking, we heavily invested in our digital and physical infrastructure. In 2025, our electronic transaction migration rate climbed to 89.38%, with half of our branches exceeding a 90% digital adoption rate. We saw a 14% rise in Online Banking registrations and a 15% jump in online transactions, fully supported by our successful ISO20022 security upgrade.

On the ground, we expanded our network to 39 iABMs. Our investment in proactive monitoring ensured a solid 92.6% network uptime, and our rapid post-hurricane recovery

outpaced industry peers, ensuring our Members had reliable access to cash when it mattered most. Our Cards & Payments division was a standout performer, achieving 60% portfolio growth, a 68% surge in spend volume, and over 50% revenue growth across all lines.

We also marked a commercial milestone by officially launching our dedicated Business Services Unit. Moving to a highly specialized approach for MSMEs and large corporates, this unit pairs sector-specific advisory expertise with tailored lending and cash management solutions. To immediately support this vital sector, we introduced the USD VM Visa Business Platinum Credit Card, designed to help growing enterprises expertly manage cash flow, operating expenses, and secure payments.

Resilience and Care in Action

Our financial performance in 2025 is a testament to our priorities. While we achieved remarkable top-line growth, our bottom line intentionally reflects our commitment to stepping up when our Members need us most. Following the devastation of Hurricane Melissa in October 2025, we rapidly repositioned the VM Disaster Recovery Loan (initially launched post-Hurricane Beryl) to provide fast, flexible financing. We granted up to six months of loan moratoria and temporarily suspended select fees to give affected Members the breathing room they needed to rebuild. Consequently, our strategic investments in human capital and the proactive recognition of expected credit losses (ECL) associated with

MANAGEMENT DISCUSSION & ANALYSIS

Strategic Focus Area	Planned 2026 Innovations
Digital Banking Expansion	Rollout of an upgraded online banking interface offering a vastly expanded range of self-service options.
Branch Experience Transformation	Introduction of digital queuing (VM Assist), digital signing, modernised appointment systems, and an upgraded credit application system to drastically reduce wait times.
Advanced Payment Solutions	Integration of credit card products at iABMs for real-time payments, groundwork for international card acquiring, and the launch of new segmented credit, debit, and prepaid cards.
Operational Synergy	Continued modernisation of our branch network and the implementation of a Group-wide onboarding solution to deepen relationships from day one.

hurricane relief resulted in a slight decline in Net Profit, a conscious investment in the long-term resilience of the people and communities we serve.

Looking Ahead: Our Future Focus for 2026

As we pivot towards 2026, VMBS is focused on integrating cutting-edge technology into the everyday customer experience, ensuring that every interaction—whether in-branch or online—is frictionless.

VM Finance Limited (VMFL)

VM Finance Ltd (VMF), the United Kingdom-based subsidiary of the VM Group, plays a pivotal role in strengthening our international footprint and diversifying the Group's earnings. Operating as a nonbank specialist real estate lender and an FCA-regulated mortgage intermediary, VMF provides secured funding solutions to experienced SME property developers and investors. In 2025, navigating a complex macroeconomic environment marked by elevated interest rates and construction cost pressures, VMF proved that it is Stronger Through Service. By maintaining disciplined underwriting, executing flexible lending solutions, and deepening client relationships, VMF successfully capitalized on improving market confidence as the year progressed.



Strategic Milestones: Innovating to Serve Better

2025 was a year of profound strategic execution, marked by milestones that significantly enhanced VMF's capacity to serve its market and support the wider VM Group. Our most significant win was securing regulatory approval from the Bank of Jamaica to incorporate a UK-based Special Purpose Vehicle (SPV). This dedicated lending vehicle represents a game-changing evolution in our operating model.

By ringfencing lending activities, the SPV provides VMF with unparalleled balance sheet flexibility, sharper regulatory governance, and the ability to partner more efficiently with institutional investors. To complement this, we advanced our funding diversification strategy through successful forward

Management Discussion & Analysis

[CONTINUED ►](#)

flow arrangements—including one with VMBS and another with a major UK-based lender. Together, these structural innovations empower VMF to originate, manage, and service assets more efficiently, ensuring we can rapidly meet the funding needs of property developers while generating sustainable fee and interest income for the Group.

2025 Financial Performance Highlights

VMF's financial performance reflects disciplined balance sheet management and a prudent credit culture that consistently yields low default rates. Despite the challenging external environment, VMF significantly outperformed its profit targets.

VMF Investment Property Loan Portfolio



Transforming Client Experiences & Championing ESG

Because true service extends beyond financial transactions, VMF took deliberate steps in 2025 to elevate the customer experience and drive positive social impact. Recognising the need for speed and certainty in property finance, we streamlined our internal processes to significantly reduce turnaround times. We also enhanced our digital accessibility, rolling out a revamped website and expanding our LinkedIn presence to better connect with property professionals.

Crucially, VMF championed the VM Group's global Environmental, Social, and Governance (ESG) mandate. To encourage environmentally responsible construction, we introduced a Green Incentive for development loan facilities, rewarding clients who prioritise sustainable building practices. Furthermore, our commitment to "Care Up" transcends borders; during our year-end customer engagement event, we shared the inspiring work of the VM Foundation regarding Hurricane Melissa. By inviting our UK clients to partner with us through voluntary contributions, we reinforced a shared, global commitment to community resilience.

Empowering Our People & Strengthening Governance

VMF's ability to differentiate itself in a highly competitive, price-sensitive market relies on the deep market knowledge of our people. In 2025, we continued to invest heavily in targeted training and professional development, fostering a performance-driven culture rooted in accountability and service excellence.

Our operations remained underpinned by robust corporate governance and unwavering FCA compliance. As part of our continued governance evolution, we seamlessly transitioned our Board leadership, bidding a grateful farewell to retiring Group Chief Finance Officer Janice McKenley on December 31, 2024, and warmly welcoming newly appointed Group Chief Finance Officer Frederick Williams to the VMF Board on January 1, 2025.

MANAGEMENT DISCUSSION & ANALYSIS

Continuing the Service Journey in 2026: Key Priorities for 2026

As we look to 2026, VMF is exceptionally well-positioned to build upon the foundational strengths established this year. Our focus remains steadfastly on sustainable growth and delivering high-quality outcomes.

Strategic Focus Area	Planned 2026 Innovations
Scale Off-Balance Sheet Lending	Leverage the new SPV and forward flow arrangements to accelerate portfolio growth.
Regional Expansion	Deepen our market penetration across diverse regional UK property markets
Digital Excellence	Continue enhancing digital capabilities for frictionless client onboarding and servicing.
Service-Driven Culture	Maintain our ongoing investment in our people and governance frameworks to ensure VM Finance remains the partner of choice for UK property developers

VM Investments Limited (VMIL)

VM Investments Limited (VMIL), operating through VM Wealth Management and VM Wealth Funds Barbados, continues to anchor the VM Group's investment banking, asset management, and securities trading capabilities. Operating in a 2025 landscape characterized by cautious investor sentiment and the disruptive impact of Hurricane Melissa, VMIL proved that it is Stronger Through Service. By executing a disciplined strategy centered on agile advisory, digital transformation, and rigorous risk management, VMIL successfully protected and grew our clients' wealth while expanding the Group's regional footprint.

Market Leadership and Major Wins

Our commitment to exceptional service delivery and transparent operations yielded market results in 2025. VMIL maintained a dominant competitive position, ranking 2nd by volume on the JSE Main Market by yearend. We led the capital markets by successfully listing the first bond IPO of 2025 on the JSE, raising a massive J\$5.43 billion.

Our operational excellence and stability were externally validated on multiple fronts. CariCRIS reaffirmed our investment-grade credit ratings, while our JSE Corporate Governance Index rating was upgraded to an outstanding 89.98% (Grade A). Looking beyond Jamaica, we achieved a critical milestone in our Caribbean expansion by officially securing an Investment Advisor License in Barbados.

Elevating the Client Experience

True service means meeting our clients where they are. In 2025, we reduced client friction by accelerating our digital transformation. The launch of VM Wealth's Digital Onboarding Platform and key enhancements to our IPO Edge Platform drove a 14.6% YoY increase in digital onboarding and a 50% expansion in digital channel usage.

To provide clients with superior, needs-based financial solutions, we launched the Constant Stream Unit Trust portfolio—a highly effective, low-risk liquidity management tool. Furthermore, we actively took our advisory services directly to our clients, hosting vibrant diaspora outreach sessions in New York and Panama in collaboration with the JSE.



SCAN HERE

To stay connected with our latest financial insights and community events, scan the QR code below to follow VMIL on Instagram!

Management Discussion & Analysis

CONTINUED ▶

Our People: The Architects of Service

The strength of our service relies entirely on the technical depth and well-being of our Team Members. Supported by our Modern Movers Engagement Committee—which fostered our “Care Up” culture through wellness events, sports days, and Hurricane Melissa relief drives—our team thrived. This people-first approach resulted in solid year-over-year improvements in our internal metrics, achieving an HR Engagement score of 74% and a Leadership score of 77%.

We proudly supported our Team Members in attaining major professional milestones in 2025, including new CPA, CFA Level I, and Corporate Finance MSc designations. Furthermore, VMIL leaders continued to shape the wider financial and corporate landscape through prominent industry appointments:

Strategic Focus Area	External Industry Appointment (2025)
Allison Mais & Sashae Jarrett	Chair & Committee Member, PSOJ Human Capital Development Committee
Denise Marshall Miller	2nd Vice President, Jamaica Securities Dealers Association (JSDA)
Sean Yearwood	Board Director, Barbados Stock Exchange
Akeem Neil	Member, Governance & CFA Committees, CFA Society Jamaica
Mikhail McLeod & Romario Sterling	Committee Members across National Security & Justice, and UTech Advisory

Championing Sustainability (ESG)

As a responsible corporate citizen, VMIL maintained its NEPA Green Business Certification and advanced key environmental recycling initiatives. Championing financial inclusion, we proudly partnered with SMC Teach to deliver the InvesTeen program, equipping secondary school students at the UWI Mona School of Business with foundational financial literacy skills.

Strategic Outlook for 2026

As we look to 2026, VMIL remains focused on being Stronger Through Service by implementing highly data-driven sales and service delivery models. We will prioritise expanding our Assets Under Management (AUM) through solid advisory execution, leveraging our Barbados fund platform for deeper

regional growth, and continuously advancing our digital ecosystem to ensure an unparalleled client experience.

2025 Financial Performance Highlights

For the year ended December 31, 2025, VMIL reported net profit of J\$166.0 million, compared to J\$555.7 million in the prior year. Included in the 2024 results was a non-recurring gain of J\$422 million, which materially inflated prior-year profitability. When this distortion is removed, profit after tax for 2025 increased by 24.12%, reflecting stronger underlying operating performance. Total revenues amounted to J\$2.4 billion (2024: J\$2.6 billion), while total assets grew to J\$35.1 billion up from J\$30.5 billion in the prior year.

Financial Indicator	2025 Performance
Total Revenue	\$2.48
Total Assets	\$35.1B

VM Pensions Management

VM Pensions Management Limited (VMPM) remains a critical pillar of the VM Group, directly executing our mandate to enhance the long-term financial security and economic resilience of Jamaicans. Through expert pension administration and investment management, VMPM ensures income sustainability for our Members in retirement. In a 2025 operating environment characterized by inflation, market volatility, and shifting customer expectations, VMPM proved that it is Stronger Through Service. By maintaining disciplined risk management (with 88% of key risk indicators within target range) and accelerating digital innovation, VMPM significantly outperformed the broader market and strengthened its reputation as a trusted financial partner.

Market Leadership & Exceptional Growth

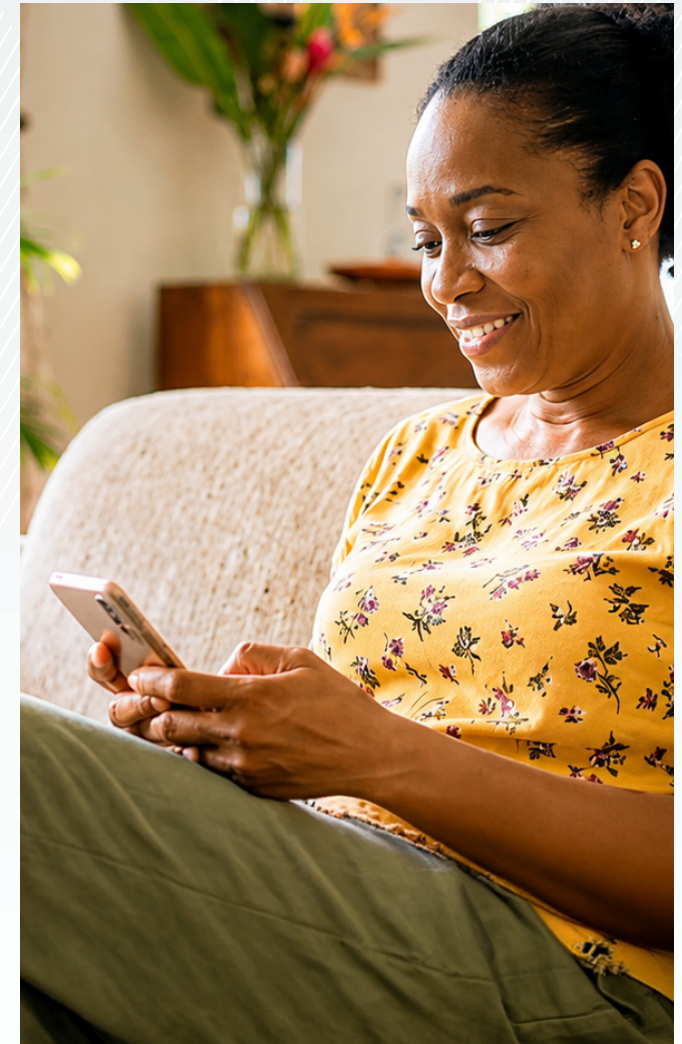
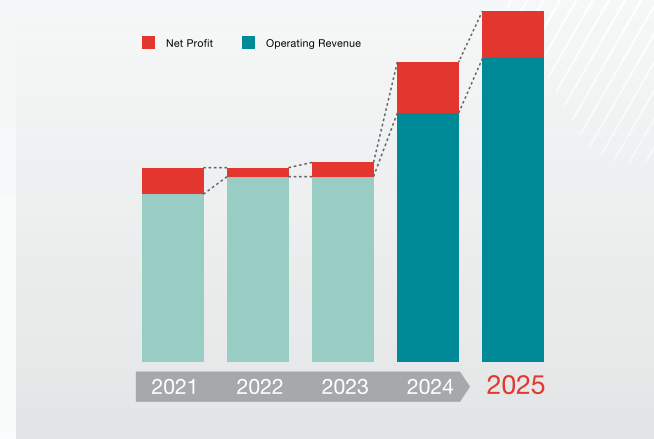
VMPM's commitment to service excellence translated into remarkable market outperformance in 2025. While the overall Jamaican private pensions industry saw marginal growth, VMPM's strategic momentum was undeniable. By mid-year, our quarter-over-quarter membership growth surged by a meaningful 27.01%, cementing our position as the fourth-largest pension fund manager in Jamaica.

Our disciplined execution across business development and client retention led to VMPM proudly receiving the VM Group's Strategic Business Unit of the Year award for the second time, while simultaneously surpassing our Net Promoter Score (NPS) targets.

2025 Financial & Business Highlights

Our financial results reflect strong core earnings combined with a deliberate strategy to reinvest in our business infrastructure. While Net Profit declined year-over-year due to strategic investments in technology and human capital (designed to future-proof our operational resilience), our final profit still significantly outperformed our internal budget targets.

VM Pensions Management Limited Operating Revenue & Net Profit (\$'000)



Management Discussion & Analysis

[CONTINUED ►](#)

Elevating the Member Experience

Because transparent, accessible service is fundamental to building trust, we significantly upgraded our digital platforms for Superannuation Fund members in 2025. By automating benefit statement generation and accelerating transaction workflows, we empowered our clients with faster, more reliable service.

This digital-first approach resulted in the successful onboarding of over 1,000 new members to our pension portals, allowing them to independently manage their balances and personal data. We also deepened our institutional reach by forging strategic partnerships with the Jamaica Chamber of Commerce (JCC) and the Jamaica Manufacturers and Exporters Association (JMEA), aggressively championing pension coverage across key economic sectors.

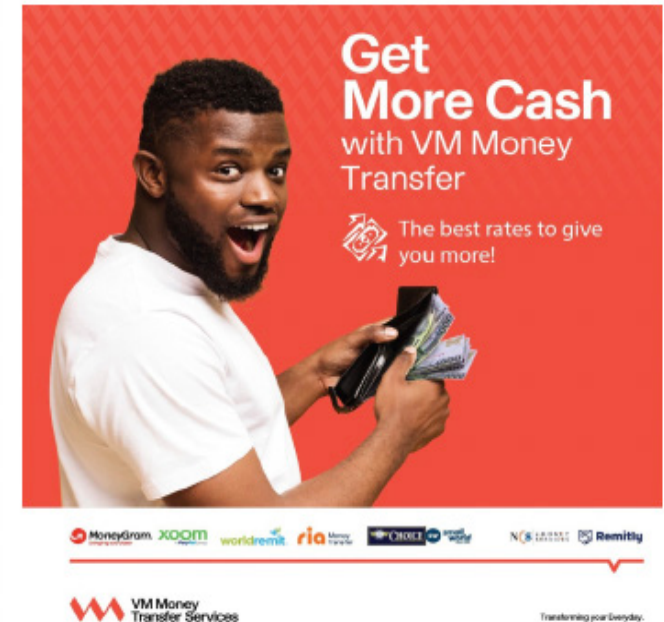
Our People & Community: “Care Up” in Action

The foundation of VMPM’s exceptional service is our highly engaged team. Guided by the VM Group’s cultural beliefs—Care Up, Team Up, Own Up, and Level Up—we prioritised targeted training and team well-being. These deliberate efforts resulted in an outstanding Human Resource Engagement Index (HREI) score of 80%, soaring past our 74% target.

Our Team Members channeled this high engagement directly into community service, proudly living our “Care Up” values. Throughout 2025, the VMPM team supported “Read Pon Di Cawna” to boost youth literacy, participated in the Sagicor Sigma Run, executed a Labour Day project at the Jamaica National Children’s Home (Tegwyn Unit), and donated sanitary items to the Women’s Centre. Following Hurricane Melissa, our Team Members mobilized to package emergency relief supplies and made continuous, monthly salary deductions to the VM Foundation to ensure sustained community support.

Outlook & Priorities for 2026

As VMPM looks to 2026, we remain resolutely focused on enhancing the member and client experience. We will direct our strategic investments towards advancing our digital platforms, improving core system integrations, and streamlining internal processes. By enabling greater accessibility, reliability, and responsiveness across all channels, VMPM will ensure our Members’ futures remain **Stronger Through Service**.



VM Money Transfer Services Limited (VMTS)

VM Money Transfer Services (VMTS) plays an essential, highly personal role within the VM Group, providing the secure, cross-border remittance services that support household consumption and financial inclusion across Jamaica. For our Members, remittances are more than just transactions; they are lifelines connecting the diaspora to home. In 2025, operating in a complex landscape marked by moderating national inflows and heightened U.S. regulatory uncertainty, VMTS proved that it is Stronger Through Service. By prioritizing

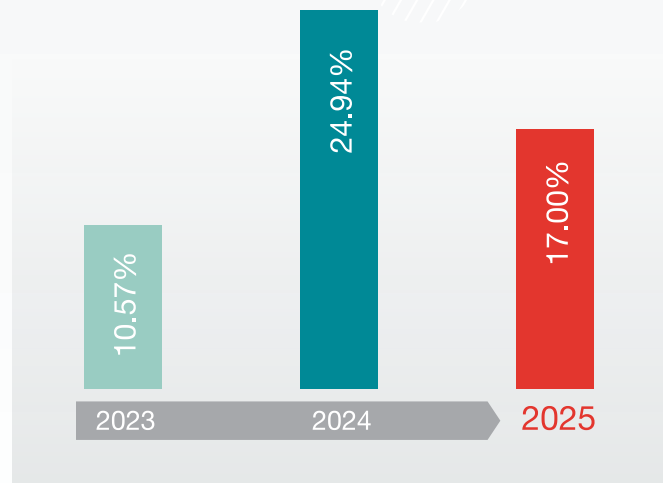
MANAGEMENT DISCUSSION & ANALYSIS

execution excellence, network optimization, and unwavering customer accessibility, VMTS defied market contraction to deliver financial growth and expand its market share.

Defying the Market: 2025 Financial & Operational Wins

The Jamaican remittance market faced notable headwinds in 2025, influenced by migration enforcement and the passage of the U.S. “One Big Beautiful Bill Act” (H.R.1), which introduces a future 1% excise tax on cash-funded remittances. While national remittance inflows softened, VMTS’s execution-driven strategy led to outperformance across all key metrics.

VMTS: Growth in Remittance Volume



Unwavering Focus on the Customer Experience

Our commendable market performance is a direct result of our relentless focus on service reliability. We significantly reduced network disruptions and enhanced transaction routing to guarantee timely, reliable payouts for our customers. Furthermore, we actively optimized our agent network to ensure our services remained accessible across both urban and rural communities.

This commitment to frictionless service is reflected in our outstanding customer feedback. In 2025, VMTS achieved a Net Promoter Score (NPS) of 72 (comfortably exceeding our target of 66) and an Internal Customer Satisfaction score of 86 (surpassing our 80% target).

Empowering Our People & Communities

We recognise that the quality of our service is linked to the capability and morale of our Team Members. In 2025, VMTS invested heavily in talent development, enrolling Team Members in the Group’s Junior Professional Programme to build core skills and strengthen our future leadership pipeline. This investment in our people ensured operational stability during a year of intense external pressures.

Guided by the VM Group’s ESG objectives and our “Care Up” culture, VMTS actively supported community resilience. In 2025, our Team Members participated in the National Labour Day initiative at Jessie Ripoll Primary School, donated much-needed fans to Milk River Primary School, and sponsored the Peer Career Advisors at the UWI Placement & Career Services Unit.

Proactive Governance & Outlook for 2026

As the cross-border financial landscape evolves, maintaining robust governance is critical to protecting our customers’ hard-earned money. In 2025, VMTS fully complied with the Bank of Jamaica’s rigorous AML/CFT enhancements and proactively ran scenario planning to manage the upcoming U.S. remittance taxation (H.R.1).

Entering 2026, VMTS is highly prepared to navigate these policy shifts without disruption to service delivery. We will prioritize comprehensive customer education, targeted digital enhancements to improve data visibility, and the continued expansion of our market share. Through these efforts, VMTS will ensure that keeping families connected remains seamless, secure, and **Stronger Through Service**.

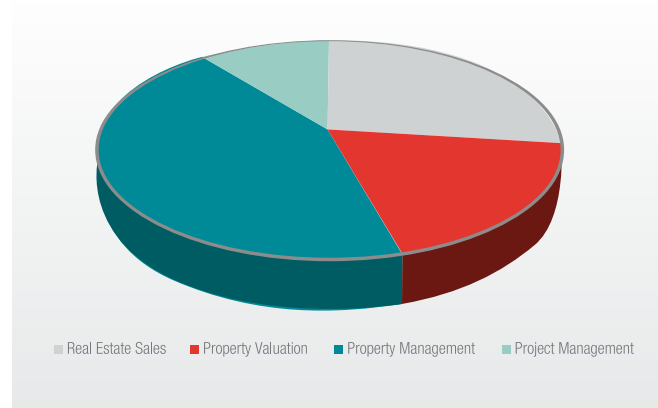


Management Discussion & Analysis

[CONTINUED ►](#)


VM Property Services Limited (VMPS) remains the VM Group's premier vehicle for real estate-driven wealth creation. In 2025, navigating a resilient but climate-impacted Jamaican real estate market, VMPS proved that true value goes beyond buying and selling. Guided by our mission to "Transform Your Everyday," we proved we are Stronger Through Service by acting as proactive protectors, innovative property managers, and community educators.

VMPS: Distribution of Revenue % (2025)



Service Through Protection: The Post-Hurricane Pivot

Hurricane Melissa drastically shifted market priorities in Q4. Recognising the urgent threat of underinsurance, VMPS immediately strengthened advocacy for updated property valuations and strict adherence to international building standards. By providing expert, timely advisory services, we empowered property owners to secure accurate replacement values, effectively mitigating the risks of insurance shortfalls and escalating rebuilding costs.

Service Through Expertise & Execution

Our 2025 financial performance was anchored by strong agent productivity, prudent cost management, and a highly skilled workforce.

Earnings Drivers:

Real estate sales remained our strongest earnings engine, fueled by a strategic emphasis on exclusive listings that generated the majority of our net brokerage income.

Global Reach:

We successfully stimulated cross-border investment and reinforced the VMPS brand by actively engaging the diaspora at the Investing in Jamaica & Housing Forums in New York and Philadelphia.

MANAGEMENT DISCUSSION & ANALYSIS

Governance:

We maintained compliance with the National Land Agency (NLA) and Real Estate Board (REB). Our national credibility was further cemented by our Qualifying Director's feature in the Jamaica Observer and our representation within the Royal Institution of Chartered Surveyors (RICS).

Service Through Digital Innovation

To deliver convenience, we continued to modernise the landlord and tenant experience. We successfully rolled out the Re-Leased platform and the PropMan Living App, empowering our clients with seamless digital rent payments, transparent maintenance tracking, and streamlined communication.

Environmental and social responsibility are embedded in our operations. In 2025, VMPS lived the "Care Up" culture by:

- ▶ Hosting 'Property and Homeownership Literacy' sessions at Kingston Wharves Limited and the University of Technology, Jamaica.
- ▶ Advocating for sustainable, climate-resilient construction practices.
- ▶ Partnering with the VM Foundation to support the Tegwyn Unit of the Jamaica National Children's Home and actively participating in the Post-Hurricane Melissa Relief Programme.

Outlook for 2026: Deepening Our Footprint

Looking ahead, VMPS is strategically positioned to expand its national footprint across valuation, property management, and advisory services. A major highlight for 2026 will include our newly attained Public Procurement Commission (PPC) certification and expanded surveyor reporting capabilities. This critical milestone empowers VMPS to aggressively pursue new public sector opportunities. By deepening relationships with institutional investors and focusing on higher-value commercial assets, VMPS will continue to drive long-term wealth creation for our Members.



STRONGER THROUGH SERVICE

Building resilience.
Creating value.
Empowering people.



Financial STATEMENTS

VM GROUP LIMITED DECEMBER 31, 2025



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

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 100 to 155, which comprise the Group's and Company's statements of financial position as at December 31, 2025, the Group's and Company's income statements, statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and the Company as at December 31, 2025, and of the Group's and 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.

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

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

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

Damion D. Reid
Uday Bhalara



INDEPENDENT AUDITORS' REPORT

To the Members of VM 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 1, 2026

Statement of Financial Position

December 31, 2025

	Notes	2025 \$'000	2024 \$'000
ASSETS			
Cash resources	7	15,857,213	15,966,397
Investments - Jamaica Government securities	8	39,906,526	24,131,695
- Other	9	34,689,367	28,947,620
Resale agreements	10	3,431,616	3,672,217
Loans	11	135,444,769	125,529,163
Other assets	13	9,439,982	9,017,190
Income tax recoverable		259,044	700,078
Deferred tax assets	14(a)	1,962,526	1,922,137
Employee benefits asset	15	1,973,511	1,403,811
Interest in associates	17	4,962,403	4,870,463
Intangible assets	18	3,811,189	3,753,749
Investment and foreclosed properties	19	674,383	598,566
Property, plant and equipment	20	<u>3,203,686</u>	<u>3,054,743</u>
Total assets		<u>255,616,215</u>	<u>223,567,829</u>
LIABILITIES			
Savings fund:			
Regular savings	21	153,085,749	142,495,306
Depositors' savings	22	<u>18,367,333</u>	<u>10,466,268</u>
		171,453,082	152,961,574
Due to specialised institution	23	<u>1,830,837</u>	<u>1,885,305</u>
		<u>173,283,919</u>	<u>154,846,879</u>
Income tax payable		89,512	84,589
Other liabilities	24	8,950,565	6,946,092
Repurchase agreements	25	24,952,046	14,708,425
Other borrowings	26	22,376,848	22,904,325
Lease liabilities	27	1,402,413	934,897
Deferred tax liabilities	14(a)	10,651	10,526
Employee benefits obligation	15	<u>1,025,000</u>	<u>1,140,300</u>
Total liabilities		<u>232,090,954</u>	<u>201,576,033</u>

	Notes	2025 \$'000	2024 \$'000
EQUITY			
Share capital	28	7,746,058	7,746,058
Reserve fund	29(i), 30	1,956,503	1,825,079
Retained earnings reserve	29(ii), 30	7,225,160	7,225,160
Non-distributable reserve	29(iii)	471,569	(126,301)
Credit facility reserve	11(c), 29(iv)	3,763,207	3,862,172
Investment revaluation reserve	29(v)	(1,419,102)	(1,661,255)
General reserve		10,000	10,000
Currency translation reserve	29(vi)	495,362	342,026
Retained earnings		<u>2,605,045</u>	<u>2,143,746</u>
Total equity attributable to equity holders of the company		22,853,802	21,366,685
Non-controlling interest	31	<u>671,459</u>	<u>625,111</u>
Total equity		<u>23,525,261</u>	<u>21,991,796</u>
Total liabilities and equity		<u>255,616,215</u>	<u>223,567,829</u>

The financial statements on pages 100 to 155 were approved for issue by the Board of Directors on March 31, 2026 and signed on its behalf by:

 Director
Michael Morris

 Director
Courtney Campbell

Countersigned:

 Corporate Secretary
Keri-Gaye Brown

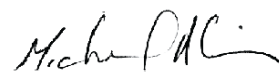
The accompanying notes are an integral part of the financial statements.

Company Statement of Financial Position

December 31, 2025

	Notes	2025 \$'000	2024 \$'000
ASSETS			
Cash resources	7	178	1,054
Investment securities – other	9	-	231,398
Due from related parties	12	155,196	157,125
Other assets	13	10,359	1,748
Income tax recoverable		19	-
Deferred tax assets	14(a)	87,848	52,280
Interest in subsidiaries	16	18,624,846	18,624,846
Intangible assets	18	556,123	271,359
Property plant and equipment	20	<u>98,763</u>	<u>39,084</u>
Total assets		<u>19,533,332</u>	<u>19,378,894</u>
LIABILITIES			
Income tax payable		-	59,559
Due to related entities	12	1,034,881	645,595
Other liabilities	24	417,091	245,335
Other borrowings	26	<u>2,057,095</u>	<u>2,057,095</u>
Total liabilities		<u>3,509,067</u>	<u>3,007,584</u>
EQUITY			
Share capital	28	7,746,058	7,746,058
Retained earnings reserve	29(ii)	9,678,788	9,678,788
Retained earnings		<u>(1,400,581)</u>	<u>(1,053,536)</u>
Total equity		<u>16,024,265</u>	<u>16,371,310</u>
Total liabilities and equity		<u>19,533,332</u>	<u>19,378,894</u>

The financial statements on pages 100 to 155 were approved for issue by the Board of Directors on March 31, 2026 and signed on its behalf by:


Michael Morris Director

Countersigned:


Courtney Campbell Director


Keri-Gaye Brown Corporate Secretary

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

Income Statements

December 31, 2025

	Notes	Group		Company	
		2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Interest income, calculated using the effective interest method	33	14,235,502	13,470,879	55	59
Interest expense	33	(6,176,763)	(6,956,659)	(185,812)	(191,949)
Net interest income		<u>8,058,739</u>	<u>6,514,220</u>	<u>(185,757)</u>	<u>(191,890)</u>
Fee and commission income	34	2,786,359	2,872,448	-	-
Fee and commission expenses	34	(851,159)	(320,698)	-	-
Net fee and commission income		<u>1,935,200</u>	<u>2,551,750</u>	-	-
Other operating revenue	35	<u>5,367,434</u>	<u>5,781,548</u>	<u>347,098</u>	<u>368,305</u>
Net interest income and other revenue		<u>15,361,373</u>	<u>14,847,518</u>	<u>161,341</u>	<u>176,415</u>
Personnel costs	36	(6,985,093)	(6,395,342)	-	-
Impairment charge on financial assets	5(a)(ii)	(468,296)	(1,220,975)	(255,890)	(915,386)
Depreciation and amortisation	18, 19, 20	(981,442)	(1,100,218)	(25,799)	(3,181)
Other operating expenses	37	(6,295,462)	(6,052,762)	(217,477)	(230,966)
		<u>(14,730,293)</u>	<u>(14,769,297)</u>	<u>(499,166)</u>	<u>(1,149,533)</u>
Share of profits of associates	17(b)	<u>239,852</u>	<u>455,448</u>	-	-
Profit/(loss) before income tax		870,932	533,669	(337,825)	(973,118)
Income tax (charge)/credit	38	(347,257)	289,780	(9,220)	(15,243)
Profit/(loss) for the year		<u>523,675</u>	<u>823,449</u>	<u>(347,045)</u>	<u>(988,361)</u>
Profit/(loss) attributable to:					
Equity holders' of the Company		487,990	712,305	(347,045)	(988,361)
Non-controlling interest	31	<u>35,685</u>	<u>111,144</u>	-	-
		<u>523,675</u>	<u>823,449</u>	<u>(347,045)</u>	<u>(988,361)</u>

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

Statements of Comprehensive Income

Year ended December 31, 2025

	Notes	Group		Company	
		2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Profit/(loss) for the year		<u>523,675</u>	<u>823,449</u>	<u>(347,045)</u>	<u>(988,361)</u>
Other comprehensive income					
Items that will never be reclassified to profit or loss:					
Net (losses)/gains on investments in equity securities designated at FVOCI	(70,890)	168,300	-	-	
Net gains on remeasurement of employee benefits asset and obligation	15(i)(e),15(ii)(c)	863,000	22,500	-	-
Deferred income tax on net gains on remeasurement of employee benefits asset and obligation	14(b)	(258,855)	(6,810)	-	-
		<u>533,255</u>	<u>183,990</u>	-	-
Items that may be reclassified to profit or loss:					
Unrealised gains /(losses) on debt securities at FVOCI		298,149	31,822	-	-
Deferred income tax on unrealised gains/ (losses) gains on investment securities measured at FVOCI	14(b)	(51,235)	(10,398)	-	-
Realised gains/(losses) on fair value of debt securities at FVOCI		53,913	(23,434)	-	-
Foreign currency translation difference on foreign exchange operations and other adjustments		161,311	6,386	-	-
Share of investment revaluation of associates		<u>14,397</u>	<u>(24,882)</u>	-	-
		<u>476,535</u>	<u>(20,506)</u>	-	-
Total other comprehensive income for the year, net of tax		<u>1,009,790</u>	<u>163,484</u>	-	-
Total comprehensive income/(loss) for the year		<u>1,533,465</u>	<u>986,933</u>	<u>(347,045)</u>	<u>(988,361)</u>
Total comprehensive income/(loss) attributable to:					
Equity holders of the Company		1,487,117	836,364	(347,045)	(988,361)
Non-controlling interest	31	<u>46,348</u>	<u>150,569</u>	-	-
		<u>1,533,465</u>	<u>986,933</u>	<u>(347,045)</u>	<u>(988,361)</u>

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

Group Statement of Changes in Equity

Year ended December 31, 2025

	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, 2023	<u>7,746,058</u>	<u>1,684,509</u>	<u>7,225,160</u>	<u>(156,891)</u>	<u>3,090,413</u>	<u>(1,764,843)</u>	<u>10,000</u>	<u>338,565</u>	<u>2,357,350</u>	<u>20,530,321</u>	<u>500,042</u>	<u>21,030,363</u>
Total comprehensive income for 2024												
Profit for the year	-	-	-	-	-	-	-	-	712,305	712,305	111,144	823,449
Other comprehensive income:												
Items that will never be reclassified to profit												
Or loss												
Unrealised losses on equity securities at FVOCI	-	-	-	-	-	134,640	-	-	-	134,640	33,660	168,300
Net gain on remeasurement of employee benefits asset and obligation, net of tax	-	-	-	30,590	-	-	-	-	(13,580)	17,010	(1,320)	15,690
Items that will be reclassified to profit												
Or loss:												
Unrealised losses 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 gains on debt securities at FVOCI	-	-	-	-	-	(23,434)	-	-	-	(23,434)	-	(23,434)
Share of investment revaluation of Associate	-	-	-	-	-	(24,882)	-	-	-	(24,882)	-	(24,882)
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	<u>7,746,058</u>	<u>1,825,079</u>	<u>7,225,160</u>	<u>(126,301)</u>	<u>3,862,172</u>	<u>(1,661,255)</u>	<u>10,000</u>	<u>342,026</u>	<u>2,143,746</u>	<u>21,366,685</u>	<u>625,111</u>	<u>21,991,796</u>

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

Group Statement of Changes in Equity

Year ended December 31, 2025

	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, 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
Total comprehensive income for 2025												
Profit for the year	-	-	-	-	-	-	-	-	487,990	487,990	35,685	523,675
Other comprehensive income:												
Items that will never be reclassified to profit												
Or loss:												
Unrealised losses on equity securities at FVOCI	-	-	-	-	-	(56,712)	-	-	-	(56,712)	(14,178)	(70,890)
Net gain on remeasurement of employee benefits asset and obligation, net of tax	-	-	-	597,870	-	-	-	-	5,768	603,638	507	604,145
Items that will be reclassified to profit												
Or loss:												
Unrealised gains on debt securities at FVOCI, net of tax	-	-	-	-	-	230,555	-	-	-	230,555	16,359	246,914
Foreign currency translation difference on foreign subsidiaries' balances and other adjustments	-	-	-	-	-	-	-	153,336	-	153,336	7,975	161,311
Realised gains on debt securities at FVOCI	-	-	-	-	-	53,913	-	-	-	53,913	-	53,913
Share of investment revaluation of associate	-	-	-	-	-	14,397	-	-	-	14,397	-	14,397
Total other comprehensive income	-	-	-	597,870	-	242,153	-	153,336	5,768	999,127	10,663	1,009,790
Total comprehensive income for the year	-	-	-	597,870	-	242,153	-	153,336	493,758	1,487,117	46,348	1,533,465
Movements between reserves												
Credit facility reserve transfer [29 (iv)]	-	-	-	-	(98,965)	-	-	-	98,965	-	-	-
Other transfer	-	131,424	-	-	-	-	-	-	(131,424)	-	-	-
	-	131,424	-	-	(98,965)	-	-	-	(32,459)	-	-	-
Balances at December 31, 2025	7,746,058	1,956,503	7,225,160	471,569	3,763,207	(1,419,102)	10,000	495,362	2,605,045	22,853,802	671,459	23,525,261

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

Company Statement of Changes in Equity

Year ended December 31, 2025

	Share capital \$'000 (note 28)	Retained earnings reserve \$'000 [note 29 (ii)]	Retained earnings \$'000	Total \$'000
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
Loss for the year, being total comprehensive loss	-	-	(347,045)	(347,045)
Balance at December 31, 2025	<u>7,746,058</u>	<u>9,678,788</u>	<u>(1,400,581)</u>	<u>16,024,265</u>

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

Group Statement of Cash Flows

Year ended December 31, 2025

	Notes	2025 \$'000	2024 \$'000
Cash flows from operating activities			
Profit for the year		523,675	823,449
Adjustments for:			
Depreciation and amortisation	18, 19, 20	981,442	1,100,218
Amortisation of transaction fees	11(c), (13)	(210,833)	(210,814)
Employee benefits asset and obligation	15(i)(d),(ii)(a),(b)	179,400	176,400
Interest income	33	(14,235,502)	(13,470,879)
Interest expense	33	6,176,763	6,956,659
Loss/(gain) on disposal of investment property and property, plant and equipment	35	53,776	(1,745,947)
Write off of intangible assets	18	8,521	48,727
Impairment reversal on associate	35	-	(54,638)
Gain on investment activities	35	(2,801,927)	(1,636,618)
Unrealised fair value (gain)	35	(180,242)	(766,219)
Share of profits of associates	17(b)	(239,852)	(455,448)
Impairment charge on financial assets	5(a)(ii)	468,296	1,220,975
Unrealised exchange losses on foreign currency balances		108,491	191,641
Income tax expense/(credit)	38	<u>347,257</u>	<u>(289,780)</u>
		(8,820,735)	(8,112,274)
Changes in:			
Cash reserves held at Bank of Jamaica		(180,133)	(83,168)
Loan advances, net of repayments		(9,838,830)	(3,735,686)
Resale agreements		240,582	110,874
Repurchase agreements		10,512,485	(1,490,008)
Change in other assets		1,407,247	1,988,852
Employee benefits, net		(1,400)	(1,400)
Deposit from customers		19,479,525	11,764,170
Due to specialised institution		(54,468)	(53,626)
Change in other liabilities		<u>1,853,991</u>	<u>1,419,904</u>
		14,598,264	1,807,638
Interest received		12,353,606	12,134,327
Dividend received		194,318	362,096
Interest paid		(7,283,161)	(8,090,637)
Income taxes paid		<u>(241,128)</u>	<u>(194,908)</u>
Net cash provided by operating activities		<u>19,621,899</u>	<u>6,018,516</u>
Cash flows from investing activities			
Purchase of investments	8,9	(112,641,254)	(71,461,199)
Proceeds from disposal of investments	8,9	94,731,755	71,735,999
Purchase of intangible assets	18	(641,995)	(808,125)
Proceeds from disposal of shares in associates	17(f)	8,816	8,816
Purchase of investment properties	19	(151,965)	(168,125)
Purchase of property, plant and equipment	20	(214,440)	(242,893)
Proceeds of disposal of investment properties		70,452	704,526
Proceeds of disposal of property plant and equipment and intangible asset		<u>226,516</u>	<u>1,694,300</u>
Net cash (used in)/provided investing activities		<u>(18,612,115)</u>	<u>1,463,299</u>

	Notes	2025 \$'000	2024 \$'000
Cash flows from financing activities			
Proceeds from other borrowings	26	2,813,971	3,767,897
Repayments of other borrowing	26	(3,846,097)	(6,312,292)
Payment of lease liabilities	27(d)	(139,100)	(70,994)
Dividends paid to non-controlling interest	31,43	-	(25,500)
Net cash used in financing activities		<u>(1,171,226)</u>	<u>(2,640,889)</u>
Net (decrease)/increase in cash and cash equivalents for year		(161,442)	4,840,926
Cash and cash equivalents at beginning of year		14,412,464	9,777,730
Effect of exchange rate fluctuations on cash and cash equivalents		<u>(127,875)</u>	<u>(206,192)</u>
Cash and cash equivalents at end of year	7	<u>14,123,147</u>	<u>14,412,464</u>

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

Company Statement of Cash Flows

Year ended December 31, 2025

	Notes	2025 \$'000	2024 \$'000
Cash flows from operating activities			
Loss for the year		(347,045)	(988,361)
Adjustments for:			
Depreciation and amortisation	18,20	25,799	3,181
Interest income	33	(55)	(59)
Interest expense	33	185,812	191,949
Impairment charge on financial assets	5(a)(ii)	255,890	915,386
Unrealised exchange gains on foreign currency		(24,494)	-
Income tax credit	38	<u>9,220</u>	<u>15,243</u>
		105,127	137,339
Changes in:			
Other liabilities		(208,517)	(7,715)
Other assets		(8,611)	(1,748)
Related parties		<u>391,215</u>	<u>253,019</u>
		279,214	380,895
Income tax paid		(104,364)	-
Interest received		55	59
Interest paid		<u>194,461</u>	<u>23,393</u>
Net cash provided by operating activities		<u>369,366</u>	<u>404,347</u>
Cash flows from investing activities			
Purchase of investment	9	-	(1,146,784)
Purchase of intangible assets	18	(299,524)	(274,102)
Purchase of property, plant and equipment	20	(70,718)	(39,522)
Net cash used in investing activities		<u>(370,242)</u>	<u>(1,460,408)</u>
Cash flows from financing activities			
Additions to other borrowings	26	-	1,105,095
Repayments of other borrowing	26	-	(48,000)
Net cash provided by financing activities		<u>-</u>	<u>1,057,095</u>
Net (decrease)/increase in cash and cash equivalents for year		(876)	1,034
Cash and cash equivalents at beginning of year		<u>1,054</u>	<u>20</u>
Cash and cash equivalents at end of year	7	<u><u>178</u></u>	<u><u>1,054</u></u>

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

Notes to the Financial Statements

Year ended December 31, 2025

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.

- (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 2025	2024	Subsidiaries 2025	2024
VM Financial Group Limited and its subsidiaries:	Jamaica	Financial holding company for the financial entities within the Group	100	100	-	-
The Victoria Mutual Building Society	Jamaica	Granting loans and accepting deposits	100	100	-	-
VM Investments Limited and its wholly-owned subsidiary:	Jamaica	Investment holding company and select corporate finance services	80	80	-	-
VM Wealth Management Limited	Jamaica	Stockbroking, securities trading, asset management, corporate finance and investment advisory services	-	-	100	100
VM Pensions Management Limited	Jamaica	Pension fund management and administration	100	100	-	-
Victoria Mutual Finance Limited	United Kingdom	Provision of management services to the Company and specialised lending in the UK	100	100	-	-
VM Finance SPVI Limited	United Kingdom	Hold loan assets and provide financing to VM Mutual Finance Limited.	-	-	100	-
VM Money Transfer Services Limited	Jamaica	Management of money transfer services	99	99	-	-
VMBS Overseas (UK) Limited	United Kingdom	Promotion of the business of The Victoria Mutual Building Society.	100	100	-	-
VM Innovations Limited and its subsidiaries:	Jamaica	Property holding company, development and rental of real property	100	100	-	-
VM Property (Services) Limited	Jamaica	Valuations, property management, project management and realtor services	-	-	100	100

Notes to the Financial Statements

Year ended December 31, 2025

1. IDENTIFICATION (CONT'D)

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

Entity	Country of Incorporation	Nature of business	Percentage equity held by:			
			The Company		Subsidiaries	
			2025	2024	2025	2024
VM Real Estate Holdings Limited	Jamaica	Property Investment Company	-	-	100	100
VM Real Estate UK Limited	United Kingdom	Property Investment Company	-	-	100	-
VM Real Estate UK SPVI Limited	United Kingdom	Property Investment Company	-	-	100	-

(c) Interest in associated companies

- (i) The VM Financial Group Limited has a 43.90% (2024: 44.17%) 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 in the consolidated financial statements, and at cost in the Company's separate financial statements.
- (ii) On March 27, 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 in the consolidated financial statements, and at cost in the Company's financial separate 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 licence pursuant to section 19(2) of the Banking Services Act 2014 to operate as a Financial Holding Company by Bank of Jamaica on November 15, 2023. One of the VM Financial Group Limited's subsidiaries, The Victoria Mutual Building Society, is licensed by Bank of Jamaica, and its financial statements are delivered, under the Building Societies Act, the Banking Services Act 2014 and applicable Regulations.

2. REGULATIONS AND LICENCE (CONT'D)

Two of the VM Financial 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 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 in the United Kingdom.

3. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

(a) Statement of compliance

These financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards or IFRS) 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 has assessed them and has adopted those which are relevant to its financial statements.

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

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 Society 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.

Notes to the Financial Statements

Year ended December 31, 2025

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

(a) Statement of compliance (cont'd)

New and amended standards and interpretations that are not yet effective (cont'd):

• IFRS 18 *Presentation and Disclosure in Financial Statements*(cont'd)

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

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

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

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

The amendment is expected to have a significant impact the Group's 2027 financial statement.

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

Derecognition of a financial liability through electronic transfer:

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

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

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 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;

Notes to the Financial Statements

Year ended December 31, 2025

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)

- (1) Impairment of financial assets (continued)

- 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.

- (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 may be materially different from the actual price of the instrument in an actual arm's length transaction.

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

- (i) Accounting policies

The 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. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

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.

- (ii) Non-controlling interests

Non-controlling interests are measured at their proportionate share of the acquiree's identifiable net assets. 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.

- (iii) 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.

- (iv) 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.

Notes to the Financial Statements

Year ended December 31, 2025

4. MATERIAL ACCOUNTING POLICIES (CONT'D)

(a) Basis of consolidation (cont'd)

(v) Common control business combination

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.

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 equity holders was recognised at cost.

(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.

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)

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.

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.

Notes to the Financial Statements

Year ended December 31, 2025

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)

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.

- 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.

4. MATERIAL ACCOUNTING POLICIES (CONT'D)

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

- (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 de-recognises 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.

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' captions 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.

Notes to the Financial Statements

Year ended December 31, 2025

4. MATERIAL ACCOUNTING POLICIES (CONT'D)

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

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

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 convertible to known amounts of cash within three months, 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.

(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. The difference between the sale consideration and the repurchase price is recognised in the income statement over the life of each agreement as interest expense using the effective interest method.

4. 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 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.

Notes to the Financial Statements

Year ended December 31, 2025

4. MATERIAL ACCOUNTING POLICIES (CONT'D)

(d) Leases (cont'd)

(i) As a lessee (cont'd)

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.

(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 follows:

(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).

4. MATERIAL ACCOUNTING POLICIES (CONT'D)

(e) Revenue recognition (cont'd)

(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.

(iii) Rental income

Rental income from operating leases is recognised on a straight-line basis over the lease term and is included in other operating revenue in profit or loss.

(iv) Dividend income

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

(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.

Notes to the Financial Statements

Year ended December 31, 2025

4. MATERIAL ACCOUNTING POLICIES (CONT'D)

(h) Income tax (cont'd)

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.

(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-employment 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.

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.

4. MATERIAL ACCOUNTING POLICIES (CONT'D)

(i) Employee benefits (cont'd)

(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.

Notes to the Financial Statements

Year ended December 31, 2025

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 implementation of some software are projectized and the cost held in Work in Progress during the project period. At the end of the project, the cost is capitalised to computer software. These 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 Company 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 (3)(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.

4. MATERIAL ACCOUNTING POLICIES (CONT'D)

(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. These properties are amortised over their expected useful lives of 40 years.

(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.

(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.

Notes to the Financial Statements

Year ended December 31, 2025

4. MATERIAL ACCOUNTING POLICIES (CONT'D)

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

(ii) Depreciation (cont'd)

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.

4. MATERIAL ACCOUNTING POLICIES (CONT'D)

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

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

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;

Evidence that a financial asset is credit-impaired includes the following observable data (cont'd):

- 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.

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.

Notes to the Financial Statements

Year ended December 31, 2025

4. MATERIAL ACCOUNTING POLICIES (CONT'D)

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

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

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 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.

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

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.

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, 2025, the following key indicators represents scores used to adjust the forward-looking information for Jamaica for the years 2025 to 2026:

	2026	2025
Unemployment rates	4.3%	5.0%
Base	0.6	0.6
Upside	0.6	0.3
Downside	0.8	0.6
Interest rates	5.8%	6.5%
Base	0.2	0.2
Upside	0.1	0.2
Downside	0.2	0.2
GDP Growth	0.7%	1.8%
Base	0.3	0.2
Upside	0.2	0.2
Downside	0.3	0.3
Inflation rates	4.9%	4.8%
Base	0.1	0.2
Upside	0.1	0.1
Downside	0.2	0.2

Notes to the Financial Statements

Year ended December 31, 2025

4. MATERIAL ACCOUNTING POLICIES (CONT'D)

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

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

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 : generally, as a provision.
- Debt instruments measured at FVOCI :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.

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.

Notes to the Financial Statements

Year ended December 31, 2025

5. FINANCIAL RISK MANAGEMENT (CONT'D)

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.

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, The 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.

5. FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Credit risk (cont'd)

(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	
	2025 \$'000	2024 \$'000
Loan commitments	3,044,490	1,081,193

(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.

Notes to the Financial Statements

Year ended December 31, 2025

5. FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Credit risk (cont'd)

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

• Credit risk grades (cont'd)

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.

• Loans receivable at amortised cost note 11:

	Group 2025				2024 Total \$'000
	Stage 1 \$'000	Stage 2 \$'000	Stage 3 \$'000	Total \$'000	
Credit grade					
Grade 3 - Low risk	33,271,715	251,642	614,052	34,137,409	31,233,565
Grade 4 - 5	86,489,687	2,091,672	7,565,292	96,146,651	88,446,328
Grade 6 - 8	2,709,567	107,428	328,883	3,145,878	3,103,333
Grade 9 - 10 - High risk	-	1,027,681	1,893,228	2,920,909	3,413,068
	122,470,969	3,478,423	10,401,455	136,350,847	126,196,294
Loss allowance	(116,212)	(89,506)	(700,360)	(906,078)	(667,131)
Carrying amount	122,354,757	3,388,917	9,701,095	135,444,769	125,529,163

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 (cont'd):

	Group 2025				2024 Total \$'000
	Stage 1 \$'000	Stage 2 \$'000	Stage 3 \$'000	Total \$'000	
Aging of loans receivables					
Current	114,321,279	851,445	1,994,264	117,166,988	93,334,292
Past due 1-30 days	8,149,690	73,975	966,008	9,189,673	7,397,630
Past due 31-60 days	-	2,468,007	916,636	3,384,643	19,956,273
Past due 61-90 days	-	84,996	53,390	138,386	4,559,285
Over 90 days	-	-	6,471,157	6,471,157	948,814
	122,470,969	3,478,423	10,401,455	136,350,847	126,196,294
Loan commitments					
Grades 1-3: Low risk	3,044,490	-	-	3,044,490	1,081,193
Loss allowance	376,634	-	-	376,634	(1,103)

• Debt securities, resale agreements and cash at amortised cost, note 7, 8, 9, 10:

	Group 2025			2024 Total \$'000
	Stage 1 \$'000	Stage 3 \$'000	Total \$'000	
Credit grade				
Investment grade	9,305,651	-	9,305,651	2,937,221
Non-investment grade*	29,528,928	-	29,528,928	28,354,180
Default	-	1,171,276	1,171,276	1,146,784
	38,834,579	1,171,276	40,005,855	32,438,185
Loss allowance	(51,810)	(1,171,276)	(1,223,086)	(1,030,239)
Carrying amount	38,782,769	-	38,782,769	31,407,946

	Company 2025			2024 Total \$'000
	Stage 1 \$'000	Stage 3 \$'000	Total \$'000	
Credit grade				
Non-investment grade*	178	-	178	1,054
Default	-	1,171,276	1,171,276	1,146,784
	178	1,171,276	1,171,454	1,147,838
Loss allowance	-	(1,171,276)	(1,171,276)	(915,386)
Carrying amount	178	-	178	232,452

Notes to the Financial Statements

Year ended December 31, 2025

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 note 13:

	Group 2025				2024
	Stage 1 \$'000	Stage 2 \$'000	Stage 3 \$'000	Total \$'000	Total \$'000
Credit grade					
Performing	4,983,781	47,882	183,773	5,215,436	6,759,393
Non-performing	-	3,364	62,038	65,402	89,888
Default	-	-	2,809,826	2,809,826	1,164,724
Gross carrying amount	4,983,781	51,246	3,055,637	8,090,664	8,014,005
Loss allowance	(57,031)	(2,987)	(787,586)	(847,604)	(779,185)
Carrying amount	<u>4,926,750</u>	<u>48,259</u>	<u>2,268,051</u>	<u>7,243,060</u>	<u>7,234,820</u>

	Company	
	2025 Stage 1 \$'000	2024 Total \$'000
Credit grade		
Non-investment grade*	10,353	1,021
Gross carrying amount	<u>10,353</u>	<u>1,021</u>

* Non-investment grade financial assets have credit ratings that range from BB+ and below.

- Debt securities at FVOCI note 8,9:

	Group	
	2025 Stage 1 \$'000	2024 Total \$'000
Credit grade		
Investment grade	5,018,200	4,199,386
Non-investment grade*	<u>40,312,391</u>	<u>27,755,420</u>
	<u>45,330,591</u>	<u>31,954,806</u>
Loss allowance	(54,123)	(86,040)

* 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.

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, loans receivable resale agreements and other asset at amortised cost notes 8,9,10,11,13:

	Group 2025				2024
	Stage 1 \$'000	Stage 2 \$'000	Stage 3 \$'000	Total \$'000	Total \$'000
Balance at January 1	186,240	73,127	2,217,188	2,476,555	1,329,673
Transfer from Stage 1 to stage 2	(1,286)	1,286	-	-	-
Transfer from Stage 1 to stage 3	(24,275)	-	24,275	-	-
Transfer from Stage 2 to stage 1	27,959	(27,959)	-	-	-
Transfer from stage 2 to stage 3	-	(24,275)	24,275	-	-
Transfer from stage 3 to stage 2	-	8,465	(8,465)	-	-
Transfer from stage 3 to stage 1	78,312	-	(78,312)	-	1,327
New financial assets originated/purchased	119,476	29,891	312,873	462,240	1,007,760
Financial assets fully derecognised during the period	(57,149)	(4,125)	(48,011)	(109,285)	(129,023)
Changes to inputs used in ECL calculation**	(104,430)	34,481	215,561	145,612	331,159
Foreign exchange adjustment	206	1,602	(162)	1,646	416
Net remeasurement of loss allowance	38,813	19,366	442,034	500,013	1,211,639
Other movements:					
Write off against provisions	-	-	-	-	(64,757)
Balance at December 31	<u>225,053</u>	<u>92,493</u>	<u>2,659,222</u>	<u>2,976,768</u>	<u>2,476,555</u>

** 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.

	Company	
	2025 Stage 3 \$'000	2024 Stage 3 \$'000
Balance at January 1	915,386	-
New financial assets originated/purchased	<u>255,890</u>	<u>915,386</u>
Net remeasurement of loss allowance	<u>255,890</u>	<u>915,386</u>
Balance at December 31	<u>1,171,276</u>	<u>915,386</u>

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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	Stage 2	Total	Total
	\$'000	\$'000	\$'000	\$'000
Balance at January 1	43,369	42,671	86,040	76,338
New financial assets originated or purchased	29,276		29,276	8,521
New financial assets fully derecognised during the period	(23,757)	(84)	(23,841)	(12,038)
Changes to inputs used on ECL calculation **	4,929	(43,495)	(38,566)	13,072
Foreign exchange adjustment	306	908	1,214	147
Net remeasurement of loss allowance	10,754	(42,671)	(31,917)	9,702
Balance at December 31	54,123	-	54,123	86,040

** 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	
	2025	2024
	\$'000	\$'000
Investment securities at amortised cost (notes 8, 9)	192,828	788,504
Investment securities at FVOCI [note 5a (ii)]	(31,917)	9,701
Loans and notes receivable [note 11(b)]	238,947	303,100
Resale agreement (note 10)	19	(515)
Other receivable (note 13)	68,419	130,590
Other financial assets (note 7)	-	(10,405)
	468,296	1,220,975

	Company	
	2025	2024
	\$'000	\$'000
Investment securities at amortised cost (notes 9)	255,890	915,386

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):

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.

	2025		
	Stage 1	Stage 2	Stage 3
	\$'000	\$'000	\$'000
Investment securities			
Decrease as a result of a change in portfolio mix and changes in driving parameters for the respective financial assets	(92,250)		

	2024		
	Stage 1	Stage 2	Stage 3
	\$'000	\$'000	\$'000
Loans and advances to customers at amortised cost			
Increase in loans due to strategic growth initiative	-	-	375,802

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.

Loan Modification

The contractual terms of a loan may be modified for a number of reasons, including change in market conditions, customer retention and other factors not related to a current or potential credit deterioration of the customer. An existing loan whose terms have been modified may be derecognised and the renegotiated loan recognized as a new loan at fair value in accordance with accounting policy set out in note 4 (n).

When the terms of a financial asset are modified and the modification does not result in recognition, the determination of whether the asset's credit risk has increased significantly reflects comparison of:

- Its remaining lifetime PD at the reporting date based on the modified terms; with
- the remaining lifetime PD estimated based on data on initial recognition and the original contractual terms.

Notes to the Financial Statements

Year ended December 31, 2025

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)

Loan Modification (cont'd)

The Group renegotiates loans to customers in financial difficulties (referred to as 'forbearance activities') to maximise collection opportunities and minimise the risk of default. Under the Group's forbearance policy, loan forbearance is granted on a selective basis if the debtor is currently in default on its debt or if there is a high risk of default, there is evidence that the debtor made all reasonable efforts to pay under the original contractual terms and the debtor is expected to be able to meet the revised terms.

The revised terms usually include extending the maturity, changing the timing of interest payments and amending the terms of loan covenants. Both retail and corporate loans are subject to the forbearance policy. The Credit Committee regularly reviews reports on forbearance activities.

For financial assets modified as part of the Group's forbearance policy, the estimate of PD reflects whether the modification has improved or restored the Society's ability to collect interest and principal and the Group's previous experience of similar forbearance action. As part of this process, the Society evaluates the borrower's payment performance against the modified contractual terms and considers various behavioural indicators.

Generally, forbearance is a qualitative indicator of a significant increase in credit risk and an expectation of forbearance may constitute evidence that an exposure is credit-impaired customer needs to demonstrate consistently good payment behaviour over a period of time before the exposure is no longer considered to be credit-impaired/in default or the PD is considered to have decreased such that it falls within the 12-month PD ranges for the asset to be considered Stage 1.

	2025 \$'000	2024 \$'000
Financial assets modified during the year		
Amortised cost before modification	5,937,601	1,334,253
Net modification loss	<u>9,584</u>	<u>-</u>
Financial assets modified since initial recognition		
Gross carrying amount of financial assets previously modified for which loss allowance has changed during the period to an amount equal to 12 month ECL from lifetime	<u>5,630,937</u>	<u>531,037</u>

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, 2025, the outstanding principal balances on loans that were restructured during the year amounted to \$5,937,601,000 (2024: \$1,334,253,000). The ECL amounts that were transferred from lifetime to 12 months amounted to \$78,312,000 (2024: \$68,842,000).

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 \$18,879,349,641 (2024: \$17,995,358,850) [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 \$21,621,000 (2024: \$39,880,000). 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.

Notes to the Financial Statements

Year ended December 31, 2025

5. FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Credit risk (cont'd)

(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.

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.

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		
	2025	2024	Collateral type
Loan advances to retail customers			
Mortgage lending	92%	100%	Real property
Auto loans	100%	100%	Liens on motor vehicles
Cash secured loans	99%	100%	Hypothecation of deposits
Resale agreements	100%	100%	Debt securities
Loan advances to customers *			
Margin loans	99%	83%	Debt and equity securities
Corporate loans	88%	85%	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 value at disbursement.

Total Value of Exposure			Exposure of Credit Impaired Loans		
	2025 \$'000	2024 \$'000		2025 \$'000	2024 \$'000
Mortgage Lending			Mortgage Lending		
LTV ratio			LTV ratio		
Less than 50%	15,384,560	15,113,223	Less than 50%	1,864,135	2,342,602
51-70%	20,814,304	18,850,998	51-70%	1,745,556	2,253,824
71-90%	51,883,910	49,444,544	71-90%	2,499,100	4,221,600
91-100%	12,107,585	12,788,436	91-100%	549,446	1,014,775
More than 100%	<u>4,285,113</u>	<u>2,348,140</u>	More than 100%	<u>177,382</u>	<u>334,904</u>
Total	<u>104,475,472</u>	<u>98,545,341</u>	Total	<u>6,835,619</u>	<u>10,167,705</u>
Cash Secured Loans			Cash Secured Loans		
LTV ratio			LTV ratio		
Less than 50%	596,703	396,331	Less than 50%	-	-
51-70%	519,997	495,911	51-70%	-	-
71-90%	745,616	802,898	71-90%	-	5,504
91-100%	134,363	14,668	91-100%	-	-
More than 100%	<u>-</u>	<u>301</u>	More than 100%	<u>-</u>	<u>-</u>
Total	<u>1,996,679</u>	<u>1,710,109</u>	Total	<u>-</u>	<u>5,504</u>

Notes to the Financial Statements

Year ended December 31, 2025

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 Loans		Exposure of Credit Impaired	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Margin Loans & Corporate Lending				
LTV ratio				
Less than 50%	3,043,010	3,611,003		859,705
51-70%	1,971,477	2,496,943	63,209	233,757
71-90%	232,037	39,516	1,643,345	720,799
91-100%	-	-	1,202,616	-
More than 100%	<u>1,060,459</u>	<u>719,921</u>	<u>49,233</u>	<u>1,746</u>
Total	<u>6,306,983</u>	<u>6,867,383</u>	<u>2,958,403</u>	<u>1,816,007</u>
Auto Loans				
LTV ratio				
Less than 50%	1,638,291	1,179,122		96,788
51-70%	3,474,640	3,636,072	144,452	384,596
71-90%	1,764,219	2,262,956	298,780	374,838
91-100%	631,421	186,988	238,942	39,120
More than 100%	<u>2,653</u>	<u>2,983</u>	15,663	<u>2,983</u>
Total	<u>7,511,224</u>	<u>7,268,121</u>	<u>700,490</u>	<u>898,325</u>
Staff Loans				
LTV ratio				
Less than 50%	250,162	229,319		6,445
51-70%	212,617	172,156	4,439	293
71-90%	227,791	259,700	-	6,660
91-100%	67,595	61,186	7,920	-
More than 100%	<u>7,412</u>	<u>-</u>	212	<u>-</u>
Total	<u>765,577</u>	<u>722,361</u>	<u>12,571</u>	<u>13,398</u>
Specialized Loans				
LTV ratio				
Less than 50%	175,820	-		-
51-70%	2,575,101	1,240,701	-	-
71-90%	302,180	585,932	-	-
91-100%	-	154,625	-	5,793
More than 100%	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>3,053,101</u>	<u>1,981,258</u>	<u>-</u>	<u>5,793</u>
Unsecured Lending				
Mortgage escrow	<u>15,152,733</u>	<u>13,477,574</u>	<u>153,373</u>	<u>107,011</u>
Consumer escrow	803,711	613,969	-	-
	<u>37,345</u>	<u>26,066</u>	<u>-</u>	<u>-</u>
Total	<u>140,102,825</u>	<u>131,212,182</u>	<u>10,660,456</u>	<u>13,013,743</u>

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 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 2025				
	Cash resources \$'000	Loans \$'000	Investments \$'000	Resale agreements \$'000	Total \$'000
Concentration by sector:					
Retail	-	109,863,336	-	-	109,863,336
Corporate	-	15,970,123	11,721,972	-	27,692,095
Government of Jamaica	-	-	35,836,562	-	35,836,562
Other sovereign bonds	-	-	13,259,566	-	13,259,566
Bank of Jamaica	1,734,066	-	4,131,515	-	5,865,581
Financial institutions	14,123,147	930,341	1,110,644	3,431,616	19,595,748
Construction and land development	-	8,680,969	-	-	8,680,969
Equities & Unit Trusts	-	-	8,598,127	-	8,598,127
	<u>15,857,213</u>	<u>135,444,769</u>	<u>74,658,386</u>	<u>3,431,616</u>	<u>229,391,984</u>
Concentration by location:					
Jamaica	14,856,670	81,717,347	60,585,769	3,431,616	160,591,402
United Kingdom	1,000,543	21,752,476	1,915,509	-	24,668,528
North America	-	25,299,210	6,860,781	-	32,159,991
Trinidad and Tobago	-	-	2,888,946	-	2,888,946
Dominican Republic	-	-	1,101,159	-	1,101,159
Other	-	6,675,736	1,306,222	-	7,981,958
	<u>15,857,213</u>	<u>135,444,769</u>	<u>74,658,386</u>	<u>3,431,616</u>	<u>229,391,984</u>
	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
Financial 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
	<u>15,966,397</u>	<u>125,529,163</u>	<u>53,079,315</u>	<u>3,672,217</u>	<u>198,247,092</u>
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
	<u>15,966,397</u>	<u>125,529,163</u>	<u>53,079,315</u>	<u>3,672,217</u>	<u>198,247,092</u>

Notes to the Financial Statements

Year ended December 31, 2025

5. FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Credit risk (cont'd)

(iv) Management Overlays

Judgemental Adjustments

Where appropriate, the Society makes adjustments to the ECL estimate within the Society's regular modelling process to reflect management judgements. Changes to the assumptions underlying these judgemental adjustments could materially affect ECL within the next 12 months. These adjustments include overlays.

Overlays are adjustments to the ECL model outputs that have been made within the detailed ECL calculation and reporting process that arises from the impact of Hurricane Melissa.

	2025		2024	
	Corporate \$'000	Retail \$'000	Corporate \$'000	Retail \$'000
Loss allowance before judgmental adjustments	7,669	844,170	1,277	586,281
Adjustment Overlays	-	43,375	-	-
Loss allowance after judgmental adjustments	<u>7,669</u>	<u>887,545</u>	<u>1,277</u>	<u>586,281</u>

Management overlay may be applied to the model outputs if consistent with the objective of identifying a significant increase in credit risk.

(v) Sensitivity of ECL to future economic conditions

The ECL on loans are sensitive to judgements and assumptions made regarding the formulation of forward-looking scenarios and how such scenarios are incorporated into the calculations. Management performs a sensitivity analysis on the ECL recognised on material classes of its assets.

The table below shows the loss allowance on loans and advances to corporate and retail customers assuming each forward-looking scenario were weighted 100 percent instead of applying scenario probability weights across the three scenarios. The table also includes the probability-weighted amounts that are reflected in the financial statements. The amounts are inclusive of post-model adjustments.

	2025			Probability-Weighted
	Upside \$'000	Central \$'000	Downside \$'000	\$'000
Loss allowance				
Corporate	7,699	7,699	7,669	7,699
Retail	<u>824,698</u>	<u>832,534</u>	<u>913,237</u>	<u>887,544</u>

5. FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Credit risk (cont'd)

(v) Sensitivity of ECL to future economic conditions (cont'd)

	2024			Probability-Weighted
	Upside \$'000	Central \$'000	Downside \$'000	\$'000
Loss allowance				
Corporate	900	1,306	1,393	1,277
Retail	<u>432,105</u>	<u>598,179</u>	<u>633,980</u>	<u>586,281</u>

(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.

Notes to the Financial Statements

Year ended December 31, 2025

5. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Market risks (cont'd)

Management and monitoring of market risks (cont'd)

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 (cont'd):

(i) Interest rate risk (cont'd)

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					
	2025					
	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	12,034,244	925,363	-	-	2,897,606	15,857,213
Jamaica Government Securities	1,999,855	428,353	1,413,080	36,065,238	-	39,906,526
Other investments	1,847,665	793,430	4,922,739	19,036,929	8,088,604	34,689,367
Resale agreements	926,024	989,724	1,515,868	-	-	3,431,616
Loans	2,993,608	4,071,302	13,320,502	115,059,357	-	135,444,769
Other assets	-	1,267,372	429,479	3,954,749	1,591,460	7,243,060
Total financial assets	<u>19,801,396</u>	<u>8,475,544</u>	<u>21,601,668</u>	<u>174,116,273</u>	<u>12,577,670</u>	<u>236,572,551</u>
Savings fund	106,108,790	23,759,369	39,662,060	1,922,863	-	171,453,082
Due to specialised institution	-	-	-	1,830,837	-	1,830,837
Other liabilities	-	-	1,132,594	-	6,567,949	7,700,543
Repurchase agreements	3,592,898	14,345,130	6,903,838	-	110,180	24,952,046
Other borrowings	319,252	1,866	10,064,313	11,990,820	597	22,376,848
Lease liabilities	-	-	102,681	1,299,732	-	1,402,413
Total financial liabilities	<u>110,020,940</u>	<u>38,106,365</u>	<u>57,865,486</u>	<u>17,044,252</u>	<u>6,678,726</u>	<u>229,715,769</u>
Total interest rate sensitivity gap *	<u>(90,219,544)</u>	<u>(29,630,821)</u>	<u>(36,263,818)</u>	<u>157,072,021</u>	<u>5,898,944</u>	<u>6,856,782</u>
Cumulative gap	<u>(90,219,544)</u>	<u>(119,850,365)</u>	<u>(156,114,183)</u>	<u>957,838</u>	<u>6,856,782</u>	<u>-</u>

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					
	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	<u>18,168,650</u>	<u>129,957,753</u>	<u>4,586,100</u>	<u>41,166,703</u>	<u>11,602,706</u>	<u>205,481,912</u>
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
Other borrowings	-	6,362,787	4,943,707	11,609,904	-	22,916,398
Lease liabilities	-	-	35,618	899,279	-	934,897
Total financial liabilities	<u>84,509,731</u>	<u>35,954,138</u>	<u>47,740,295</u>	<u>25,035,674</u>	<u>7,005,873</u>	<u>200,245,711</u>
Total interest rate sensitivity gap *	<u>(66,341,081)</u>	<u>94,003,615</u>	<u>(43,154,195)</u>	<u>16,131,029</u>	<u>4,596,833</u>	<u>5,236,201</u>
Cumulative gap	<u>(66,341,081)</u>	<u>27,662,534</u>	<u>(15,491,661)</u>	<u>639,368</u>	<u>5,236,201</u>	<u>-</u>

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

	Company					
	2025					
	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	178	-	-	-	-	178
Other investments	-	-	-	-	-	-
Due from related entities	-	-	-	-	155,196	155,196
Other assets	-	-	-	-	10,353	10,353
Total financial assets	<u>178</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>165,549</u>	<u>165,727</u>
Due to related entities	-	-	-	-	1,034,881	1,034,881
Other borrowings	-	-	1,057,095	1,000,000	-	2,057,095
Other liabilities	-	-	-	-	417,091	417,091
Total financial liabilities	<u>-</u>	<u>-</u>	<u>1,057,095</u>	<u>1,000,000</u>	<u>1,451,972</u>	<u>3,509,067</u>
Total interest rate sensitivity gap *	<u>178</u>	<u>-</u>	<u>(1,057,095)</u>	<u>(1,000,000)</u>	<u>(1,286,423)</u>	<u>(3,343,340)</u>
Cumulative gap	<u>178</u>	<u>178</u>	<u>(1,056,917)</u>	<u>(2,056,917)</u>	<u>(3,343,340)</u>	<u>-</u>

Notes to the Financial Statements

Year ended December 31, 2025

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)

	Company					
	2024					Total \$'000
	Immediately rate sensitive	Within 3 months	Three to 12 months	Over 12 months	Non-rate sensitive	
	\$'000	\$'000	\$'000	\$'000	\$'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	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)	-

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

	Group 2025	
	Increase	Decrease
Jamaica dollar	25 basis points	25 basis points
Foreign currencies	25 basis points	50 basis points
	\$'000	\$'000

Effect on surplus for the year	(17,674)	39,375
Effect on reserves	2,172,163	(4,613,671)

	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)

(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).

5. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Market risks (cont'd)

Management and monitoring of market risks (cont'd)

(ii) Foreign currency risk (cont'd)

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					
	2025			2024		
	USD '000	GBP '000	CAD '000	USD '000	GBP '000	CAD '000
Foreign currency assets	637,464	108,139	15,234	532,173	108,224	15,603
Foreign currency liabilities	(438,597)	(91,368)	(13,204)	(357,647)	(72,495)	(10,637)
Net foreign currency assets	198,867	16,771	2,030	174,526	35,729	4,966

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:

	2025 J\$	2024 J\$
United States dollar	158.93	155.60
Pound Sterling	212.83	193.11
Canadian dollar	108.38	108.38

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	
	2025 \$'000	2024 \$'000
United States Dollar	(316,050)	(271,566)
Pound Sterling	(35,694)	(68,998)
Canadian Dollar	(2,200)	(5,382)
	(353,944)	(345,946)

A 1.5% (2024: 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.

Notes to the Financial Statements

Year ended December 31, 2025

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	
	2025 \$'000	2024 \$'000
United States Dollar	474,075	1,086,265
Pound Sterling	53,541	275,992
Canadian Dollar	<u>33,002</u>	<u>21,528</u>
	<u>560,618</u>	<u>1,383,785</u>

(iii) Equity price risk

Equity price risk arises from equity securities held by the Group as part of its investment portfolio. Management monitors the mix of debt and equity securities in its investment portfolio based on market expectations. The primary goal of the Group's investment strategy is to maximise investment returns.

The equity securities which the Group holds are listed on the Jamaica Stock Exchange. A 1.5% (2024: 6%) increase in share prices would result in an increase in surplus of \$353,821,000 (2024: \$420,726,000) for the Group. A 1% (2024: 2%) decrease in share prices would result in a decrease in surplus of \$97,620,000 (2024: \$140,332,000) for the Group. As at December 31, 2025, the Group holds equity securities classified as fair value through other comprehensive income. A 1.5% (2024: 6%) increase in share prices would result in an increase in other comprehensive income of \$9,180,000 (2024: \$40,800,000). A 1% (2024: 2%) decrease in share prices would result in a decrease in other comprehensive income of \$12,240,000 (2024: \$13,770,000).

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.

5. FINANCIAL RISK MANAGEMENT (CONT'D)

(c) Liquidity risk (cont'd)

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 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	
	2025	2024
Regulator's minimum required ratio	<u>5.00%</u>	<u>5.00%</u>
Ratio of net liquid assets to deposits from customers		
	2025	2024
Actual ratios:		
As at December 31	8.84%	10.99%
Average for the year	9.84%	10.24%
Highest % attained for the year	10.79%	14.19%
Lowest % attained for the year	<u>7.61%</u>	<u>8.52%</u>

- (ii) 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	
	2025	2024
Actual ratio	<u>72.00%</u>	<u>57.00%</u>

(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.

Notes to the Financial Statements

Year ended December 31, 2025

5. FINANCIAL RISK MANAGEMENT (CONT'D)

(c) Liquidity risk (cont'd)

(iii) Maturity profile (cont'd)

	Group 2025						
	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	14,123,147	14,123,326	13,339,689	783,637	-	-	-
Balances with central Banks	1,734,066	1,734,066	-	-	-	-	1,734,066
Jamaica Government securities	39,906,526	41,053,910	2,011,315	203,571	1,531,397	15,230,390	22,077,237
Other investments	34,689,367	44,360,935	4,266,405	1,829,273	5,140,862	9,719,262	23,405,133
Resale agreements	3,431,616	3,449,566	927,715	991,382	1,530,489	-	-
Loans	135,444,769	293,103,578	3,829,309	5,701,326	19,400,321	40,863,891	223,308,731
Other assets	7,243,060	8,035,594	1,379,905	896,345	3,172,561	2,586,763	-
Total financial assets	236,572,551	405,860,975	25,754,338	10,405,534	30,775,630	68,400,306	270,525,167
Financial liabilities							
Due to savers	171,453,082	172,873,960	106,332,799	23,312,065	40,182,243	2,477,082	569,771
Due to specialised institutions	1,830,837	2,565,051	2,232	6,728	20,464	108,647	2,426,980
Other liabilities	7,700,543	8,160,026	1,278,352	6,881,674	-	-	-
Lease liabilities	1,402,413	2,262,199	3,143	9,412	244,238	1,106,068	899,338
Repurchase agreement	24,952,046	26,285,836	4,069,104	17,505,678	6,711,054	-	-
Other borrowings	22,376,848	29,707,081	322,579	1,043,642	11,418,619	16,922,241	-
Unrecognised loan commitments	229,715,769	243,854,153	112,008,209	48,759,199	58,576,618	20,614,038	3,896,089
	<u>3,044,490</u>	<u>3,044,490</u>	-	<u>3,044,490</u>	-	-	-
Total	232,760,259	246,898,643	112,008,209	51,803,689	58,576,618	20,614,038	3,896,089
On statement of financial position gap being total liquidity gap	<u>3,812,292</u>	<u>158,962,332</u>	<u>(86,253,871)</u>	<u>(41,398,155)</u>	<u>(27,800,988)</u>	<u>47,786,268</u>	<u>266,629,078</u>
Cumulative gap	-	-	<u>(86,253,871)</u>	<u>(127,652,026)</u>	<u>(155,453,014)</u>	<u>(107,666,746)</u>	<u>158,962,332</u>
	Group 2024						
	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	-
Unrecognised loan commitments	200,233,638	233,310,381	85,630,865	36,471,986	50,662,015	56,465,506	4,080,009
	<u>1,081,193</u>	<u>1,081,193</u>	<u>1,081,193</u>	-	-	-	-
Total	201,314,831	234,391,574	86,712,058	36,471,986	50,662,015	56,465,506	4,080,009

5. FINANCIAL RISK MANAGEMENT (CONT'D)

(c) Liquidity risk (cont'd)

(iii) Maturity profile (cont'd)

	Group 2024						
	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
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
	Company 2025						
	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	178	178	178	-	-	-	-
Due from related parties	155,196	155,196	155,196	-	-	-	-
Other assets	10,353	10,353	-	-	-	-	-
Total financial assets	165,727	165,727	165,727	-	-	-	-
Financial liabilities							
Other liabilities	417,091	417,091	417,091	-	-	-	-
Due to related parties	1,034,881	1,034,881	-	-	-	-	-
Other borrowings	2,057,095	2,284,913	-	-	1,158,821	1,126,092	-
Total	3,509,067	3,736,885	1,451,972	-	1,158,821	1,126,092	-
On statement of financial position gap being total liquidity gap	(3,343,340)	(3,571,158)	(1,286,245)	-	(1,158,821)	(1,126,092)	-
Cumulative gap	-	-	(1,286,245)	(1,286,245)	(2,445,066)	(3,571,158)	(3,571,158)
	Company 2024						
	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	-	-	-	-	-
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	-
Total	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)

Notes to the Financial Statements

Year ended December 31, 2025

5. FINANCIAL RISK MANAGEMENT (CONT'D)

(c) Liquidity risk (cont'd)

(iii) Maturity profile (cont'd)

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.

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.

6. CAPITAL MANAGEMENT (CONT'D)

(a) The Victoria Mutual Building Society (cont'd)

	2025 \$'000	2024 \$'000
Regulatory capital	<u>20,983,091</u>	<u>20,999,237</u>
Qualifying capital	<u>19,955,718</u>	<u>18,886,056</u>
On balance sheet risk weighted assets	124,418,133	114,604,901
Off balance sheet risk weighted assets – loan commitments	3,044,490	1,081,193
Foreign exchange exposure	<u>3,485,304</u>	<u>5,162,281</u>
Total risk assessed assets	<u>130,947,927</u>	<u>120,848,375</u>
Risk based capital adequacy ratio	<u>15.24%</u>	<u>15.63%</u>
Regulatory requirement	<u>10.00%</u>	<u>10.00%</u>

(b) VM Pensions Management Limited

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

	2025 \$'000	2024 \$'000
Tier 1 Capital	<u>393,406</u>	<u>282,062</u>
Risk-weighted assets:		
Operating assets	326,752	281,743
Per statement of financial position	336,077	426,524
Foreign exchange exposure	<u>134,974</u>	<u>59,872</u>
	<u>797,803</u>	<u>768,139</u>

Capital adequacy ratios:	Minimum required		Actual	
	2025	2024	2025	2024
Total regulatory capital/risk-weighted assets	10.00%	10.00%	49.31%	36.72%
Tier 1 Capital/Total regulatory capital	50.00%	50.00%	100%	100%
Actual capital base/total assets	<u>6.00%</u>	<u>6.00%</u>	<u>66.16%</u>	<u>45.30%</u>

(c) VM Wealth Management Limited

The subsidiary's objectives when managing capital are to safeguard its 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.

Notes to the Financial Statements

Year ended December 31, 2025

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.

	2025 \$'000	2024 \$'000		
Tier 1 Capital	3,881,118	4,227,276		
Tier 2 Capital	<u>67,800</u>	<u>64,000</u>		
Total regulatory capital	<u>3,948,918</u>	<u>4,291,276</u>		
Risk weighted assets:				
Per statement of financial position	23,157,262	18,027,935		
Foreign exchange exposure	<u>2,407,633</u>	<u>429,536</u>		
	25,564,895	18,457,471		
Operational risk-weighted assets	<u>471,376</u>	<u>458,133</u>		
	<u>26,036,271</u>	<u>18,915,604</u>		
Capital ratios	Minimum required	Actual		
	2025	2024	2025	2024
Total regulatory qualifying capital				
Total risk weighted assets	10.00%	10.00%	15.17%	22.69%
Tier 1 Capital/Total regulatory capital	50.00%	50.00%	98.28%	98.51%
Capital base/Total assets	<u>6.00%</u>	<u>6.00%</u>	<u>14.62%</u>	<u>19.63%</u>

7. CASH RESOURCES

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Cash and cash equivalents for statements of cashflow [see (a)]	14,123,147	14,412,464	178	1,054
Cash reserves held at Bank of Jamaica [see (b)]	<u>1,734,066</u>	<u>1,553,933</u>	-	-
	<u>15,857,213</u>	<u>15,966,397</u>	<u>178</u>	<u>1,054</u>

- (a) Cash and cash equivalents represents cash on hand, balances with banks and term deposit with maturity dates less than three months There is no impairment recognised on these balances

7. CASH RESOURCES (CONT'D)

- (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.

8. INVESTMENTS - JAMAICA GOVERNMENT SECURITIES

	Group	
	2025 \$'000	2024 \$'000
FVOCI		
Securities denominated in United States dollars:		
Bonds	<u>17,855,174</u>	<u>12,603,529</u>
Securities denominated in Jamaica dollars:		
Bonds	16,753,606	7,381,038
Certificates of deposit	589,914	848,069
Treasury bills	<u>375,548</u>	<u>1,001</u>
	<u>17,719,068</u>	<u>8,230,108</u>
Amortised cost		
Securities denominated in United States dollars:		
Certificates of deposit	<u>463,143</u>	<u>4,111</u>
Securities denominated in Jamaica dollars:		
Bonds	<u>199,979</u>	<u>183,266</u>
Securities denominated in Jamaica dollars:		
Certificates deposit	2,726,910	2,925,000
Treasury bills	<u>946,963</u>	<u>185,801</u>
	<u>4,336,995</u>	<u>3,298,178</u>
	39,911,237	24,131,815
Less: Allowance for impairment on amortised cost-GOJ instruments	(<u>4,711</u>)	(<u>120</u>)
	<u>39,906,526</u>	<u>24,131,695</u>

Government securities mature, in relation to the reporting date, as follows:

	Group	
	2025 \$'000	2024 \$'000
Within 3 months	2,164,468	4,491,363
From 3 months to 1 year	1,437,316	987,193
From 1 year to 5 years	10,789,034	8,071,521
Thereafter	<u>25,515,708</u>	<u>10,581,618</u>
	<u>39,906,526</u>	<u>24,131,695</u>

Certain Government of Jamaica securities are pledged by the Group as collateral for repurchase agreements (note 25).

Notes to the Financial Statements

Year ended December 31, 2025

9. INVESTMENTS – OTHER

	Group	
	<u>2025</u>	<u>2024</u>
	\$'000	\$'000
FVTPL		
Unquoted equities	245,935	77,320
Quoted equities	2,226,628	1,945,815
Bonds	861,613	825,656
Mandatorily designated:		
Preference shares	1,087,458	806,844
Units in unit trust funds	<u>5,349,728</u>	<u>5,699,543</u>
	<u>9,771,362</u>	<u>9,355,178</u>
Amortised cost		
Bonds	8,431,731	6,211,412
Treasury bills	6,837,550	1,720,078
Term deposits	764,981	1,231,381
Preference shares	<u>345,663</u>	<u>338,435</u>
	<u>16,379,925</u>	<u>9,501,306</u>
FVOCI		
Bonds	8,838,109	10,442,827
Ordinary shares - quoted	607,404	678,302
Ordinary shares - unquoted	<u>310,836</u>	<u>39</u>
	<u>9,756,349</u>	<u>11,121,168</u>
	35,907,636	29,977,652
Less: Allowance for impairment on amortised cost	<u>(1,218,269)</u>	<u>(1,030,032)</u>
	<u>34,689,367</u>	<u>28,947,620</u>
	Company	
	<u>2025</u>	<u>2024</u>
	\$'000	\$'000
Amortised cost		
Bonds	1,171,276	1,146,784
Less: Allowance for impairment on amortised cost	<u>(1,171,276)</u>	<u>(915,386)</u>
	<u>-</u>	<u>231,398</u>

9. INVESTMENTS – OTHER (CONT'D)

These investments mature, in relation to the reporting date, as follows:

	Group		Company	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
	\$'000	\$'000	\$'000	\$'000
Within 3 months	4,252,125	2,700,296	-	231,398
From 3 months to 1 year	2,073,439	2,243,248	-	-
From 1 year to 5 years	4,474,855	9,102,528	-	-
Over 5 years/no maturity	<u>23,888,948</u>	<u>14,901,548</u>	<u>-</u>	<u>-</u>
	<u>34,689,367</u>	<u>28,947,620</u>	<u>-</u>	<u>231,398</u>

Involvement with structured entities

The Group has concluded that the Units in unit trust funds in which it holds an interest, meets the definition of a structured entity because the fund's activities are restricted by their operating agreement.

The table below describes the type of structured entity in which the Group holds an interest:

Type of structured entity	Nature and purpose	Interest held by the Group
Unit Trusts and funds - a unit trust scheme, comprising of a diverse portfolio of investments	Private equity funds intended to generate risk adjusted returns by generating current income and capital appreciation through equity or debt investments and properties.	A membership interest representing subscription to the capital of an individual fund.

The table below sets out interests held by the Group in the structured entity. The maximum exposure to loss is the carrying amount of the financial assets held.

	2025		2024	
	Number of investee funds	Carrying amount \$'000	Number of investee funds	Carrying amount \$'000
Units in unit trust funds (see note 9)	3,240,190	<u>5,349,728</u>	<u>5,349,728</u>	<u>5,699,543</u>

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

Notes to the Financial Statements

Year ended December 31, 2025

9. INVESTMENTS – OTHER (CONT'D)

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	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
At beginning of the year	678,301	510,001	17,392	17,392
Net fair value (losses)/gains recognised during the year	(70,890)	168,300	12,567	-
	<u>607,411</u>	<u>678,301</u>	<u>29,959</u>	<u>17,392</u>

None of these investments were disposed of during the year ended December 31, 2025, 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 \$70,890,000 for the year (2024: \$168,300,000).

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	
	2025 \$'000	2024 \$'000
Denominated in Jamaica dollars	2,937,911	2,095,917
Denominated in United States dollars	<u>493,811</u>	<u>1,576,387</u>
	3,431,722	3,672,304
Less: Allowance for impairment	(106)	(87)
	<u>3,431,616</u>	<u>3,672,217</u>

The securities obtained as collateral under resale agreements, may themselves be sold under repurchase agreements (see note 25). At December 31, 2025, such securities had a fair value of \$4,984,494,000 (2024: \$5,933,479,000) for the Group.

11. LOANS

(a) Composition of loans

	Group	
	2025 \$'000	2024 \$'000
Conventional mortgage loans	104,475,471	98,545,341
Mortgage escrow (see below)	<u>803,711</u>	<u>613,969</u>
Total conventional mortgage loans	105,279,182	99,159,310
Share loans	1,996,679	1,710,109
Corporate loans	3,470,036	2,662,326
Auto loans	7,511,224	7,268,121
Unsecured loans	13,490,172	12,484,965
Consumer escrow	37,345	26,066
Specialised loans	3,053,100	1,981,309
Staff loans	765,462	722,339
Staff loans escrow	-	24
Margin loans	202,878	200,178
Credit cards	<u>1,662,676</u>	<u>992,608</u>
Total gross carrying value of loans	137,468,754	127,207,355
Less: Allowance for impairment	(906,078)	(667,131)
Deferred originating fees	<u>(1,117,907)</u>	<u>(1,011,061)</u>
Total loans, net	<u>135,444,769</u>	<u>125,529,163</u>

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	
	2025 \$'000	2024 \$'000
Balances at the beginning of the year	667,131	364,177
Loans written off	(129,392)	-
Foreign exchange movement	-	(146)
Net remeasurement of allowance for ECL	<u>368,339</u>	<u>303,100</u>
Balances at the end of the year [see (c) below]	<u>906,078</u>	<u>667,131</u>

(c) The total expected loss allowance is broken down as follows:

	Group	
	2025 \$'000	2024 \$'000
Regulatory loan loss provision	4,669,285	4,529,303
Less: Impairment allowance based on IFRS 9 [see (b) above]	(906,078)	(667,131)
Credit facility reserve at end of year	<u>3,763,207</u>	<u>3,862,172</u>

Notes to the Financial Statements

Year ended December 31, 2025

11. LOANS (CONT'D)

- (d) Loan principal repayments and mortgage escrow payments are projected to be received, in relation to the reporting date, as follows:

	Group	
	2025 \$'000	2024 \$'000
Within three months	7,064,910	2,071,282
3 months to 1 year	10,786,664	7,140,039
From 1 year to 5 years	9,477,823	14,157,634
Thereafter	108,115,372	102,160,208
	<u>135,444,769</u>	<u>125,529,163</u>

- (e) Movement in deferred origination fees:

	Group	
	2025 \$'000	2024 \$'000
At beginning of the year	1,011,061	868,561
Additions	301,117	316,840
Amortisation	(194,271)	(174,340)
At end of the year	<u>1,117,907</u>	<u>1,011,061</u>

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	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Due from related entities:				
Due from subsidiaries+	<u>-</u>	<u>-</u>	<u>155,196</u>	<u>157,125</u>
Due to related entities:				
Due to subsidiaries+	<u>-</u>	<u>-</u>	<u>1,034,881</u>	<u>645,595</u>

+ These amounts will be settled from dividend income and management fees received from subsidiaries.

13. OTHER ASSETS

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Margin & other loans receivable	2,634,071	4,004,827	-	-
Interest receivable	1,881,896	1,336,552	-	-
Rent receivable	3,840	28,985	-	-
Late fees	295,606	236,488	-	-
Customers' receivable	1,010,741	617,825	-	-
Sundry receivables	<u>2,276,307</u>	<u>1,812,331</u>	<u>10,353</u>	<u>1,021</u>
	8,102,461	8,037,008	10,353	1,021
Less allowance for impairment	(847,604)	(779,185)	-	-
Deferred origination fees	<u>(11,797)</u>	<u>(23,003)</u>	<u>-</u>	<u>-</u>
	7,243,060	7,234,820	10,353	1,021
Tax recoverable	1,886,985	1,536,527	6	727
Prepayment	<u>309,937</u>	<u>245,843</u>	<u>-</u>	<u>-</u>
	<u>9,439,982</u>	<u>9,017,190</u>	<u>10,359</u>	<u>1,748</u>

The balances are reflected net of expected credit loss allowance as follows:

	Group	
	2025 \$'000	2024 \$'000
At beginning of the year	779,185	713,352
Increase in allowance	68,419	130,590
Write offs	-	(64,757)
At end of the year	<u>847,604</u>	<u>779,185</u>
	<u>2025</u>	<u>2024</u>
	<u>\$'000</u>	<u>\$'000</u>
Movement in deferred origination fees		
At beginning of the year	23,003	47,183
Additions	5,356	12,294
Amortisation	(16,562)	(36,474)
At end of the year	<u>11,797</u>	<u>23,003</u>

Notes to the Financial Statements

Year ended December 31, 2025

14. DEFERRED TAX ASSETS AND LIABILITIES

(a) Deferred tax assets and liabilities are attributable to the following:

	Group					
	Assets		Liabilities		Net	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Investment securities	1,125,653	900,925	(280,392)	-	845,261	900,925
Other receivables	(44,185)	3,761	79,446	-	35,261	3,761
Property, plant and equipment	98,397	602,254	521,577	-	619,974	602,254
Loan origination fees	-	(220,258)	-	-	-	(220,258)
Investment property	-	-	-	-	-	-
Right of use assets	(21,914)	(18,147)	-	-	(21,914)	(18,147)
Lease liability	42,651	42,800	-	-	42,651	42,800
Other liabilities	251,316	147,388	-	(10,526)	251,316	136,862
Tax loss	516,728	580,115	-	-	516,728	580,115
Employee benefits assets	-	(421,143)	(592,053)	-	(592,053)	(421,143)
Employee benefits obligation	1,467	323,899	287,071	-	288,538	323,899
Unrealised gains on units in unit trust	-	(26,300)	(26,300)	-	(26,300)	(26,300)
Unrealised foreign exchange loss	(7,587)	6,843	-	-	(7,587)	6,843
	<u>1,962,526</u>	<u>1,922,137</u>	<u>(10,651)</u>	<u>(10,526)</u>	<u>1,951,875</u>	<u>1,911,611</u>
				</		

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 2025			
	January 1, 2025 \$'000	Recognised in income \$'000 (note 38)	Recognised in OCI \$'000	December 31, 2025 \$'000
Investment securities	900,925	(4,429)	(51,235)	845,261
Other receivables	3,761	31,500	-	35,261
Property, plant and equipment	602,254	17,720	-	619,974
Loan origination fees	(220,258)	220,258	-	-
Right of use assets	(18,147)	(3,767)	-	(21,914)
Lease liability	42,800	(149)	-	42,651
Other liabilities	136,862	103,928	10,526	251,316
Tax loss	580,115	(63,387)	-	516,728
Employee benefits assets	(421,143)	23,670	(194,580)	(592,053)
Employee benefits obligation	323,899	28,914	(64,275)	288,538
Unrealised gains on units in unit trust	(26,300)	-	-	(26,300)
Unrealised foreign exchange loss	6,843	(14,430)	-	(7,587)
	<u>1,911,611</u>	<u>339,828</u>	<u>(299,564)</u>	<u>1,951,875</u>

14. DEFERRED TAX ASSETS AND LIABILITIES (CONT'D)

(b) Movement in net temporary differences during the year are as follows (cont'd):

	Group 2024			
	January 1, 2024 \$'000	Recognised in income \$'000 (note 38)	Recognised in OCI \$'000	December 31, 2024 \$'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
	<u>1,357,671</u>	<u>571,148</u>	<u>(17,208)</u>	<u>1,911,611</u>

	Company 2025		
	January 1, 2025 \$'000	Recognised in income \$'000 (note 38)	December 31, 2025 \$'000
Property, plant and equipment	(1,556)	(5,664)	(7,220)
Interest payable	53,836	41,232	95,068
	<u>52,280</u>	<u>35,568</u>	<u>87,848</u>

	Company 2024		
	January 1, 2024 \$'000	Recognised in income \$'000 (note 38)	December 31, 2024 \$'000
Property, plant and equipment	-	(1,556)	(1,556)
Interest payable	7,962	45,874	53,836
	<u>7,962</u>	<u>44,318</u>	<u>52,280</u>

Notes to the Financial Statements

Year ended December 31, 2025

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. The valuation as at December 31, 2025, is incomplete. 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	
	2025 \$'000	2024 \$'000
Employee benefits asset (i)	<u>1,973,511</u>	<u>1,403,811</u>
Other post-employment benefits (ii)	<u>1,025,000</u>	<u>1,140,300</u>

(a) Amount recognised in the statement of financial position

	Group	
	2025 \$'000	2024 \$'000
Present value of funded obligations	(7,548,000)	(8,321,100)
Fair value of plan assets	10,374,711	9,724,911
Change in effect of asset ceiling	(853,200)	-
	<u>1,973,511</u>	<u>1,403,811</u>

(b) Movements in the present value of defined benefit obligations

	Group	
	2025 \$'000	2024 \$'000
Balance at beginning of year	8,321,100	7,918,000
Benefits paid	(459,100)	(337,900)
Employee contributions (basic and voluntary)	200,600	216,600
Interest cost	778,500	864,500
Service cost	223,500	234,900
Remeasurement gain arising from:		
Financial assumptions	(1,516,600)	(575,000)
Balance at end of year	<u>7,548,000</u>	<u>8,321,100</u>

(c) Movement in plan assets

	Group	
	2025 \$'000	2024 \$'000
Fair value of plan assets at beginning of year	9,724,911	9,202,611
Contributions paid into the plan	202,000	218,000
Benefits paid by the plan	(459,100)	(337,900)
Net interest income on plan assets	911,900	1,005,900
Remeasurement loss on assets included in other comprehensive income	(5,000)	(363,700)
Fair value of plan assets at end of year	<u>10,374,711</u>	<u>9,724,911</u>

15. EMPLOYEE BENEFITS ASSET/OBLIGATION (CONT'D)

(i) Employee benefits asset (cont'd)

(c) Movement in plan assets (cont'd)

	Group	
	2025 \$'000	2024 \$'000
Plan assets consist of the following:		
Equity securities	4,053,000	3,697,000
Government securities	2,884,000	3,228,000
Real estate fund	2,581,000	2,162,000
Other assets	<u>856,711</u>	<u>637,911</u>
	<u>10,374,711</u>	<u>9,724,911</u>

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

	2025 \$'000	2024 \$'000
Service costs	223,500	234,900
Interest on obligation	778,500	864,500
Net interest income on plan assets	(911,900)	(1,005,900)
	<u>90,100</u>	<u>93,500</u>

	Group	
	2025 \$'000	2024 \$'000
(e) Credit recognised in other comprehensive income, net		
Remeasurement gain on obligations	(1,516,600)	(575,000)
Remeasurement gain on assets	5,000	363,700
Change in the effect of asset ceiling	<u>853,200</u>	-
	<u>(658,400)</u>	<u>(211,300)</u>

(f) Principal financial assumptions at the reporting date (expressed as weighted averages)

	Group	
	2025 %	2024 %
Discount rate at December 31	10.0	9.5
Future salary increases	10.0	9.5
Future pension increases	<u>5.0</u>	<u>4.0</u>

Notes to the Financial Statements

Year ended December 31, 2025

15. EMPLOYEE BENEFITS ASSET/OBLIGATION (CONT'D)

(i) Employee benefits asset (cont'd)

(g) Sensitivity analysis

A one percentage (2024: one 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			
	2025		2024	
	1 % point increase \$'000	1 % point decrease \$'000	1% point increase \$'000	1% point decrease \$'000
Financial assumptions				
Discount rate	(913,000)	1,168,000	(1,044,000)	1,352,000
Rate of salary escalation	407,000	(354,000)	766,000	(658,000)
Future rate of pension	<u>675,000</u>	<u>(585,000)</u>	<u>469,000</u>	<u>(405,000)</u>

(h) The Group expects to pay 1,000,000 (2024: \$1,600,000) in contributions to the defined-benefit plan in 2026.

(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	
	2025 \$'000	2024 \$'000
Present value of obligation at the start of the year	1,140,300	868,600
Interest cost	106,400	93,600
Current service cost	24,900	27,100
Benefits paid	(42,000)	(37,800)
Remeasurement loss arising from:		
Financial assumptions	(204,600)	188,800
	<u>1,025,000</u>	<u>1,140,300</u>

(b) Charge recognised in the income statement

	Group	
	2025 \$'000	2024 \$'000
Interest cost	106,400	93,600
Current service cost	<u>24,900</u>	<u>27,100</u>
	<u>131,300</u>	<u>120,700</u>

15. EMPLOYEE BENEFITS ASSET/OBLIGATION (CONT'D)

(ii) Other post-employment benefits (cont'd)

(c) Items in other comprehensive income

	Group	
	2025 \$'000	2024 \$'000
Remeasurement loss on obligation	(204,600)	188,800

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

	Group	
	2025 %	2024 %
Financial assumptions:		
Discount rate	10.0	9.5
Medical claims growth	7.5	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.

(e) Sensitivity to changes in financial assumptions

A one percentage (2024: one 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			
	2025		2024	
	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	178,800	143,300	181,200	(144,100)
Discount rate	<u>140,200</u>	<u>176,700</u>	<u>(142,100)</u>	<u>180,200</u>

16. INTEREST IN SUBSIDIARIES

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Shares, at cost [see note 1(c)]		-	18,624,846	18,624,846

Notes to the Financial Statements

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17. INTEREST IN ASSOCIATES

- (a) The carrying amount of interest in associated companies represents the Group's interest in British Caribbean Insurance Company Limited (BCIC), Carilend Caribbean Holdings Limited and Kingston Properties Limited (KPREIT), as follows:

	Group	
	<u>2025</u>	<u>2024</u>
	\$'000	\$'000
Shares, at cost	3,807,803	3,816,619
Share of post-acquisition comprehensive Income less dividends	<u>1,154,600</u>	<u>1,053,844</u>
	<u>4,962,403</u>	<u>4,870,463</u>

- (b) Group's share profit is as follows:

	Group	
	<u>2025</u>	<u>2024</u>
	\$'000	\$'000
British Caribbean Insurance Company Limited	88,065	262,078
Carilend Caribbean Holdings Limited	773	-
Kingston Properties Limited (KPREIT)	<u>151,014</u>	<u>193,370</u>
	<u>239,852</u>	<u>455,448</u>

- (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	
	<u>2025</u>	<u>2024</u>
	\$'000	\$'000
Percentage ownership interest	<u>43.90%</u>	<u>44.17%</u>
Assets	43,544,488	17,153,972
Liabilities	<u>(37,529,187)</u>	<u>(11,203,926)</u>
Net assets (100%)	<u>6,015,301</u>	<u>5,950,046</u>
Proportionate share of BCIC net assets	2,640,717	2,628,135
Intangible assets recognised on acquisition -		
Trade name and customer relationships	107,214	202,016
Goodwill	<u>110,367</u>	<u>110,367</u>
Carrying amount of interest in BCIC	<u>2,858,298</u>	<u>2,940,518</u>

17. INTEREST IN ASSOCIATES (CONT'D)

- (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 (cont'd)

	Group	
	<u>2025</u>	<u>2024</u>
	\$'000	\$'000
Revenue	<u>21,476,900</u>	<u>21,695,945</u>
Profit for the year	200,604	593,340
Other comprehensive income/(loss), net of tax	<u>32,795</u>	<u>(56,332)</u>
Total comprehensive income	<u>233,399</u>	<u>537,008</u>
Group's share of profit of year	88,065	262,078
Share of other comprehensive income/(loss)	<u>14,397</u>	<u>(24,882)</u>
Group's share of total comprehensive income	<u>102,462</u>	<u>237,196</u>
Dividend	<u>331,437</u>	<u>829,197</u>
Group share dividend	<u>175,866</u>	<u>309,901</u>

- (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	
	<u>2025</u>	<u>2024</u>
	\$'000	\$'000
Percentage ownership interest	<u>30%</u>	<u>30%</u>
Assets	1,139,875	1,329,139
Liabilities	<u>(1,366,560)</u>	<u>(1,795,780)</u>
Net Liabilities (100%)	<u>(226,685)</u>	<u>(466,645)</u>
Proportionate share of net liabilities	<u>(68,006)</u>	<u>(139,994)</u>
Carrying amount of interest associate	<u>56,603</u>	<u>54,863</u>
Revenue	<u>388,375</u>	<u>321,630</u>
Profit for the year and total comprehensive income	<u>243,630</u>	<u>109,143</u>
Group's share of profit for year and total comprehensive income	<u>773</u>	<u>-</u>
Impairment reversal	<u>-</u>	<u>54,638</u>

The total of the unrecognised share of losses of the associate since the entity became an associate in August 2019 is \$Nil (2024: \$105,043,000). The Group was able to recognize share of profits of \$773,000 as the previously unrecognized share of losses were fully absorbed this year against current year profit of \$73,072,193 and prior year's profit of \$32,743,000.

Notes to the Financial Statements

Year ended December 31, 2025

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	
	2025	2024
	\$'000	\$'000
Percentage ownership interest in KPREIT	23%	23%
Non-current assets	13,600,541	12,550,102
Current assets	1,347,781	924,396
Total assets	14,948,322	13,474,498
Non-current liabilities	(5,413,780)	(4,824,510)
Current liabilities	(724,610)	(587,778)
Total liabilities	(6,138,390)	(5,412,288)
Net assets (100%)	8,809,932	8,062,210
Proportionate share of KPREIT net assets	2,026,284	1,854,309
Goodwill and intangible asset recognised on acquisition	21,219	20,773
Carrying amount of interest in KPREIT	2,047,503	1,875,082
Revenue	1,350,044	1,474,158
Profit from continuing operations	652,234	840,737
Share of profit from continuing operations	151,014	193,370
Dividend	80,234	226,934
Group share of dividend	18,452	52,195

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

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

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

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

17. INTEREST IN ASSOCIATES (CONT'D)

(f) The following table provides a movement in the carrying value of BCIC, KPREIT and Carilend:

	BCIC		KPREIT		Carilend	
	2025	2024	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At beginning of year	2,940,518	3,022,039	1,875,082	1,719,260	54,863	-
Disposal	(8,816)	(8,816)	-	-	-	-
Impairment loss reversal	-	-	-	-	-	54,638
Share of profit	88,065	262,078	151,014	193,370	773	-
Share of OCI	14,397	(24,882)	-	-	-	-
Foreign currency adjustment	-	-	39,859	14,647	967	225
Dividends	(175,866)	(309,901)	(18,452)	(52,195)	-	-
At end of year	2,858,298	2,940,518	2,047,503	1,875,082	56,603	54,863

18. INTANGIBLE ASSETS

	Group				
	Goodwill	Access rights	Computer software	Work in progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Cost					
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
Additions	-	-	89,724	552,271	641,995
Disposal	-	-	(17,113)	(121,487)	(138,600)
Transfers from WIP	-	-	352,576	(352,576)	-
Write-off	-	-	-	(8,521)	(8,521)
December 31, 2025	609,214	56,017	5,247,152	1,914,668	7,827,051
Accumulated Amortisation					
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
Charge for the year	-	2,801	440,384	-	443,185
Eliminated on disposal	-	-	(5,751)	-	(5,751)
December 31, 2025	-	5,602	4,010,260	-	4,015,862
Carrying value					
December 31, 2025	609,214	50,415	1,236,892	1,914,668	3,811,189
December 31, 2024	609,214	53,216	1,246,338	1,844,981	3,753,749

Notes to the Financial Statements

Year ended December 31, 2025

18. INTANGIBLE ASSETS (CONT'D)

	Company		
	Computer software \$'000	Work in progress \$'000	Total \$'000
Cost			
December 31, 2023	-	-	-
Additions	<u>41,509</u>	<u>232,593</u>	<u>274,102</u>
December 31, 2024	41,509	232,593	274,102
Additions	<u>86,543</u>	<u>212,981</u>	<u>299,524</u>
Transfer from WIP	<u>6,167</u>	<u>(6,167)</u>	-
December 31, 2025	<u>134,219</u>	<u>439,407</u>	<u>573,626</u>
Amortisation			
December 31, 2023	-	-	-
Charge for year	<u>2,743</u>	-	<u>2,743</u>
December 31, 2024	2,743	-	2,743
Charge for year	<u>14,760</u>	-	<u>14,760</u>
December 31, 2025	<u>17,503</u>	-	<u>17,503</u>
Carrying value			
December 31, 2025	<u>116,716</u>	<u>439,407</u>	<u>556,123</u>
December 31, 2024	<u>38,766</u>	<u>232,593</u>	<u>271,359</u>

Work in progress comprises capitalisable costs associated with new software and the enhancements of the Group's information technology infrastructure. These assets are not yet available for use as at the reporting date and, accordingly, have not been transferred to computer software.

Goodwill relates to the acquisition 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 considering 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	
	2025	2024
	%	%
Discount rate	14.8	14.3
Growth rate	1.6	1.6

19. INVESTMENT AND FORECLOSED PROPERTIES

	Group		
	Investment properties \$'000	Foreclosed properties \$'000	Total \$'000
Cost			
December 31, 2023	589,778	27,185	616,963
Additions	45,483	122,642	168,125
Disposals	<u>(29,339)</u>	<u>(108,020)</u>	<u>(137,359)</u>
December 31, 2024	605,922	41,807	647,729
Additions	151,965	-	151,965
Disposals	<u>(35,503)</u>	<u>(41,807)</u>	<u>(77,310)</u>
December 31, 2025	<u>722,384</u>	-	<u>722,384</u>
Depreciation			
December 31, 2023	45,838	27,072	72,910
Charge for the year	3,397	2,118	5,515
Eliminated on disposals	<u>(1,999)</u>	<u>(27,263)</u>	<u>(29,262)</u>
December 31, 2024	47,236	1,927	49,163
Charge for the year	2,765	3,056	5,821
Eliminated on disposals	<u>(2,000)</u>	<u>(4,983)</u>	<u>(6,983)</u>
December 31, 2025	<u>48,001</u>	-	<u>48,001</u>
Net book values			
December 31, 2025	<u>674,383</u>	-	<u>674,383</u>
December 31, 2024	<u>558,686</u>	<u>39,880</u>	<u>598,566</u>

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					
	2023 \$'000	Additions \$'000	Disposal \$'000	2024 \$'000	Addition \$'000	Disposal \$'000
Investment properties	2,152,208	51,491	(506,917)	1,696,782	98,653	(42,000)
Foreclosed properties	<u>533,208</u>	<u>150,000</u>	<u>(520,708)</u>	<u>162,500</u>	-	<u>(162,500)</u>
	<u>2,685,416</u>	<u>201,491</u>	<u>(1,027,625)</u>	<u>1,859,282</u>	<u>98,653</u>	<u>(204,500)</u>
						<u>1,753,435</u>

(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.

Notes to the Financial Statements

Year ended December 31, 2025

19. INVESTMENT AND FORECLOSED PROPERTIES

(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 \$199.5 million (2024: \$58 million). Direct operating expenses, arising from the investment property that generated rental income during the year, amounted to \$280.4 million (2024: \$83.8 million).

20. PROPERTY, PLANT AND EQUIPMENT

	Group					
	Right-of-use on leasehold properties \$'000	Freehold land and buildings \$'000	Office furniture and equipment \$'000	Motor vehicles \$'000	Work in progress \$'000	Total \$'000
Cost						
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
Additions	614,507	13,795	118,277	-	82,368	828,947
Disposals	(58,178)	(29,873)	(111,460)	-	-	(199,511)
Transfers from WIP	-	11,804	275,450	-	(287,254)	-
December 31, 2025	1,777,135	955,952	3,681,845	60,954	241,700	6,717,586
Depreciation						
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
Charge for year	202,203	55,209	265,051	9,973	-	532,436
Eliminated on disposals	(51,943)	-	-	-	-	(51,943)
December 31, 2025	507,741	326,777	2,629,764	49,618	-	3,513,900
Net book values						
December 31, 2025	1,269,394	629,175	1,052,081	11,336	241,700	3,203,686
December 31, 2024	863,325	688,658	1,034,865	21,309	446,586	3,054,743

Included in leasehold, freehold land and building is land with cost of \$38,500,000.

	Company			
	Computer equipment \$'000	Office furniture and equipment \$'000	Work in progress \$'000	Total \$'000
Cost				
December 31, 2023	-	-	-	-
Additions	14,527	-	24,995	39,522
December 31, 2024	14,527	-	24,995	39,522
Additions	50,861	2,408	17,449	70,718
December 31, 2025	65,388	2,408	42,444	110,240

20. PROPERTY, PLANT AND EQUIPMENT

	Company			
	Computer equipment \$'000	Office furniture and equipment \$'000	Work in progress \$'000	Total \$'000
Depreciation				
December 31, 2023	-	-	-	-
Charge for year	438	-	-	438
December 31, 2024	438	-	-	438
Charge for year	10,837	202	-	11,039
December 31, 2025	11,275	202	-	11,477
Net book values				
December 31, 2025	54,113	2,206	42,444	98,763
December 31, 2024	14,089	-	24,995	39,084

21. REGULAR SAVINGS

	Group	
	2025 \$'000	2024 \$'000
Regular savings	153,085,749	142,347,736
Deferred shares	-	147,570
	153,085,749	142,495,306

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	
	2025 \$'000	2024 \$'000
On demand to 3 months	111,500,826	104,010,373
Three to 12 months	39,661,966	37,247,793
Over 12 months	1,922,957	1,237,140
	153,085,749	142,495,306

Notes to the Financial Statements

Year ended December 31, 2025

22. DEPOSITORS' SAVINGS

	Group	
	2025	2024
	\$'000	\$'000
On demand to 3 months	1,425,172	1,311,568
Over 12 months	16,942,161	9,154,700
Due to depositors	<u>18,367,333</u>	<u>10,466,268</u>

These represent high-yield deposits with fixed longer-term maturity dates.

23. DUE TO SPECIALISED INSTITUTION

This represents the balance of loans disbursed by the National Housing Trust (NHT) under joint financing arrangements with borrowers of the building society subsidiary.

The NHT, in pursuance of its statutory function to, inter alia, make loans available to its contributors to assist in the purchase, building, maintenance, repair or improvement of houses and makes arrangements with mortgage lending institutions to originate, underwrite, fully finance, disburse and administer loans, representing the NHT contributors' housing benefit. The balances due to NHT are at interest rates of 0% to 3% (2024: 0% to 3%) per annum for periods of 30 years.

24. OTHER LIABILITIES

	Group		Company	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Deposits – private treaty sales	177,788	70,417	-	-
Customers' and clients' funds	4,553,914	3,730,880	-	-
Accrued expenses	2,026,793	1,766,117	417,091	245,335
Other payables	<u>2,192,070</u>	<u>1,378,678</u>	-	-
	<u>8,950,565</u>	<u>6,946,092</u>	<u>417,091</u>	<u>245,335</u>

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	
	2025	2024
	\$'000	\$'000
Denominated in Jamaica dollars	8,314,448	4,979,798
Denominated in United States dollars	12,209,533	9,435,779
Denominated in Sterling	4,250,376	292,848
Denominated in Canadian dollars	<u>177,689</u>	<u>-</u>
	<u>24,952,046</u>	<u>14,708,425</u>

25. REPURCHASE AGREEMENTS (CONT'D)

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 \$29,470,795,000 (2024: \$15,213,562,000) for the Group.

26. OTHER BORROWINGS

	Group		Company	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Deferred shares (note 21)	1,298,682	1,684,060	-	-
Bank facility (i)	500,921	761,198	-	-
Fixed rate bonds (ii), (iii)	7,075,525	8,264,645	-	-
Preference shares (iv)	10,956,849	10,444,422	-	-
Corporate loan (v)	<u>2,544,871</u>	<u>1,750,000</u>	<u>2,057,095</u>	<u>2,057,095</u>
	<u>22,376,848</u>	<u>22,904,325</u>	<u>2,057,095</u>	<u>2,057,095</u>

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

	Group	
	2025	2024
	\$'000	\$'000
Balance as at 1 January	22,904,325	25,448,720
Proceeds from other borrowings	2,825,842	3,776,595
Proceeds from other borrowings-preference shares noncash (iv)	504,649	-
Repayments of borrowings	<u>(3,846,097)</u>	<u>(6,312,292)</u>
	22,388,719	22,913,023
Other changes:		
Capital borrowings costs	<u>(11,871)</u>	<u>(8,698)</u>
Balances as at 31 December	<u>22,376,848</u>	<u>22,904,325</u>

	Company	
	2025	2024
	\$'000	\$'000
Balance as at 1 January	2,057,095	1,000,000
Proceeds from other borrowings	-	1,105,095
Repayments of borrowings	-	<u>(48,000)</u>
Balances as at 31 December	<u>2,057,095</u>	<u>2,057,095</u>

(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 6,384,900,000) of which JMD 178,872,000 had been drawn down as at December 31, 2025.

Notes to the Financial Statements

Year ended December 31, 2025

26. OTHER BORROWINGS (CONT'D)

- (i) These are comprised of the following (cont'd):
- II. Loans from the Development Bank of Jamaica received by VM Investments Ltd. The loans are broken down as follows:
- \$50,000,000 with a maturity period of 4 years with an interest rate of 10.99%
 - \$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.
- The subsidiary made repayments of \$438,621,000 (2024: \$748,312,000) during the year.
- (ii) These are comprised of fixed and variable rate unsecured bonds issued by the company. One bond was issued in 2025 from a \$800 million bond issue as follows, less their transactional costs:
- \$701,400,000 Tranche A – \$694,902,000 fixed rate 9.50% with a maturity date of March 31, 2027.
 - \$98,600,000 Tranche B – \$98,230,000 variable rate 10.00% plus 90 days WATBY with a maturity date of March 31, 2028.
 - \$229,640,000 Tranche A – \$229,161,000 fixed rate 10.00% with a maturity date of April 1, 2027.
 - \$191,726,000 Tranche A(ii) – \$191,032,000 fixed rate 10.00% with a maturity date of June 30, 2027.
 - \$48,168,000 Tranche B – \$48,295,000 fixed rate 10.75% with a maturity date of June 30, 2027.
 - \$2,031,230,000 Tranche D - \$2,026,070,000 fixed rate 9.75% with a maturity date of June 27, 2026.
 - \$1,924,253,000 Tranche E - \$1,916,647,000 fixed rate 10.00% with a maturity date of December 27, 2026.
 - \$1,477,983,000 Tranche F - \$1,467,720,000 variable rate 10.50% (plus 90 days WATBY) with a maturity date of December 27, 2027.

VM Investments Ltd issued an \$800,000,000 bond during the year. From the bond issue, the company received funds of \$321,866,000, net of transaction costs in March 2025. The remaining units of the bond were subscribed through reinvestment of funds totaling \$467,205,000 which were due to be repaid for a bond which matured in March 2025.

Funds of \$1,533,704,000, net of transaction costs, were received during the year from Tranche D, Tranche E and Tranche F bond issues.

They repaid bonds totalling \$5,774,668,000 of which \$2,851,362,000 (2024: \$1,116,843,000) was settled in cash and \$2,923,306,000 (2024: \$513,072,000) was settled through reinvestments in other bonds and securities issued by the subsidiary. The bond repayments were made in respect of:

- 649,460,826 Tranche A which was issued on December 30, 2022 and matured on January 29, 2025
- 4,322,099,684 Tranche B which was issued on December 30, 2022 and matured on January 29, 2025

26. OTHER BORROWINGS (CONT'D)

- (ii) (Cont'd):
- 16,000,000 Tranche B which was issued on December 30, 2022 and which had a maturity date of January 29, 2027
 - 454,227,300 Tranche A which was issued on November 1, 2023 and matured on March 29, 2025
 - 81,380,737 Tranche B which was issued on November 1, 2023 and matured on March 29, 2025
 - 251,500,000 Tranche B which was issued on April 1 2024 and matured on May 15, 2025
- (iii) This represents short to medium term debt obligations of the building society subsidiary. These loans mature within 12 months and attract annual interest rates of 3.25% (2024: 7.5%). The Society made repayments of \$550.5M (2024: \$480M) and received proceeds of Nil (2024: J\$1.3B).
- (iv) VM Financial Group Limited issued Class A and Class C preference shares at a price of J\$100 per share on April 28, 2023, and Class D preference shares on April 1, 2025. The key terms and features of each class of preference shares are outlined 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 C	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
Floating Rate Class D	10 % per annum in year 1 and 90-dayWATBY +2.5% thereafter	Cumulative/ Quarterly	24 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.

The Floating rate Class B preference shares were refinanced during the year and new preference Class D shares were issued on April 1, 2025, with a maturity date of April 1, 2027.

Subsequent to March 31, 2026, the Company intends to refinance the Fixed Rate Class A preference shares when it matures on March 31, 2026, with a new issue of preference shares.

Notes to the Financial Statements

Year ended December 31, 2025

26. OTHER BORROWINGS (CONT'D)

(iv) (Cont'd):

During the year two subsidiaries disposed of their preference share holding of \$504,649,000 in VM Financial Group Limited to VM Wealth Management Limited Unit Trust an entity not consolidated with VMG Group. This would have resulted in a non-cash transaction in the other borrowings for the group.

(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. The loan bears interest at a rate of 3% plus 90 days WATBY 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 terms of the loan were revised during the year with maturity date extended to September 2026 and interest rate changed to 6.50%. The current balance on the loan at reporting date is \$683 million (2024: \$683 million.).
- III. On June 28, 2024, the VM Group obtained a loan of \$189M (2024:189M) 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 September 30, 2025. The terms of the loan were revised during the year with maturity date extended to September 2026 and interest rate changed to 6.50%.
- 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 terms of the loan were revised during the year with maturity date extended to September 2026 and interest rate changed to 6.50%. 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 terms of the loan were revised during the year with maturity date extended to June 2, 2026 and interest rate changed to 8.70%. The facility is unsecured.

26. OTHER BORROWINGS (CONT'D)

(v) These are comprised of the following (cont'd):

- VII. On October 28, 2024, the VM Financial Group Limited the Company obtained a loan of \$ 750 million from JMMB Bank (Jamaica) Limited at a fixed rate of 9.50% per annum and due for repayment on October 28, 2025. The terms of the loan were revised during the year with maturity date extended October 2026 and interest rate changed to 8.25%. The loan is secured by a promissory note.
- VIII. On February 17, 2025, VM Financial Group Limited the Company authorised the private placement of unsecured fixed rate USD notes for an aggregate principal amount of USD \$5 million (JMD \$791.4 million). These notes bear interest at a rate of 6.25% per annum and mature in July 2026. The funds were used to facilitate on-lending to a subsidiary, see note [14 (a)(iii)].

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	
	2025 \$'000	2024 \$'000
Less than one year	257,355	188,371
One to five years	1,119,163	771,324
More than five years	<u>628,045</u>	<u>446,486</u>
	<u>2,004,563</u>	<u>1,406,181</u>

	Group	
	2025 \$'000	2024 \$'000
Carrying amount of lease liabilities:		
Current	136,378	150,064
Non-current	<u>1,266,035</u>	<u>784,833</u>
	<u>1,402,413</u>	<u>934,897</u>

(a) Amounts recognised in profit or loss

	Group	
	2025 \$'000	2024 \$'000
Leases under IFRS 16:		
Interest on lease liabilities	<u>129,553</u>	<u>60,876</u>

Notes to the Financial Statements

Year ended December 31, 2025

27. LEASES – IFRS 16 (CONT'D)

(b) Amounts recognised in statement of cash flows:

	Group	
	2025	2024
	\$'000	\$'000
Lease interest payments	129,553	60,876
Lease principal payments	139,100	70,994
Total cash outflow for leases	<u>268,653</u>	<u>131,870</u>

(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	
	2025	2024
	\$'000	\$'000
Balance at beginning of the year	934,897	341,454
Additions	744,060	725,313
Lease payments	(139,100)	(70,994)
Disposals	(7,891)	-
Lease interest expense	(129,553)	(60,876)
Balance at the end of year	<u>1,402,413</u>	<u>934,897</u>

(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	
	2025	2024
	\$'000	\$'000
One to two years	9,775	7,307
Two to three years	3,522	10,732
Three to four years	3,304	8,695
Four to five years	907	7,926
More than five years	756	-
	<u>18,264</u>	<u>34,660</u>

28. SHARE CAPITAL

	Group and Company	
	2025	2024
	\$'000	\$'000
Stated:		
Authorised Membership Shares – Unlimited		
Issued Membership Shares		
1 Share (2024: 1 Share)	<u>7,746,058</u>	<u>7,746,058</u>

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.

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 profit 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 Banking Services Act 2014 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. If any such member shall thereafter make contact with the 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)].

Notes to the Financial Statements

Year ended December 31, 2025

29. RESERVES (CONT'D)

(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	
	2025	2024
	\$'000	\$'000
Ordinary share capital (note 28)	7,746,058	7,746,058
Reserve fund [note 29(i)]	1,956,503	1,825,079
Retained earnings reserve [note 29(ii)]	7,225,160	7,225,160
Deferred shares (note 21)	-	147,570
Total regulatory capital [note 6(a)]	<u>16,927,721</u>	<u>16,943,867</u>

"Regulatory capital" has the meaning ascribed in the Regulations.

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	
	2025	2024
	\$'000	\$'000
Total assets	35,062,924	30,455,151
Total liabilities	(31,705,627)	(27,329,595)
Net assets	<u>3,357,297</u>	<u>3,125,556</u>
Carrying amount of NCI	<u>671,459</u>	<u>625,111</u>
NCI percentage	<u>20%</u>	<u>20%</u>

31. NON-CONTROLLING INTEREST (CONT'D)

(b) Profit and loss account and other comprehensive income:

	Group	
	2025	2024
	\$'000	\$'000
Revenue	<u>3,971,186</u>	<u>4,151,052</u>
Profit	178,425	555,722
Other comprehensive income	<u>53,315</u>	<u>197,125</u>
Total comprehensive income	<u>231,740</u>	<u>752,847</u>
Group's share of total comprehensive income	<u>185,392</u>	<u>602,278</u>
Profit allocated to NCI	35,685	111,144
Other comprehensive profit allocated to NCI	<u>10,663</u>	<u>39,425</u>
Total comprehensive income allocated to NCI	<u>46,348</u>	<u>150,569</u>
Dividend paid (see note 42)	-	(25,500)

(c) Statement of cash flows

	Group	
	2025	2024
	\$'000	\$'000
Cash flows from in operating activities	4,819,725	312,557
Cash flows (used)/from investment activities	(3,934,617)	605,002
Cash flows used in financing activities	<u>(1,683,063)</u>	<u>(328,285)</u>
Net increase/(decreased) in cash and cash equivalents	<u>(797,955)</u>	<u>589,274</u>

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.

Notes to the Financial Statements

Year ended December 31, 2025

32. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONT'D)

(a) Definition and measurement of fair values (cont'd)

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.

(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' term deposits, resale agreements 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	Risk adjusted discount rate, Expected net cash flows, terminal growth rate	Investment based	A significant increase in the expected cash flows would result in a higher fair value.

32. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONT'D)

(b) Valuation techniques for investment securities classified as Level 2 (cont'd)

Type	Valuation techniques	Significant Unobservable input	Range of estimates (weighted average) for unobservable input	Fair value measurement sensitivity to unobservable inputs
Convertible preference shares	- Fair value determined by discounting the future expected cashflows using the after-tax cost of debt of 9.85% (2024: 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% (2024: 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.
Call options				

(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.

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Year ended December 31, 2025

32. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONT'D)

(d) Level 3 fair values

In respect of Level 3 instruments, the group recognised in the profit or loss, total gains of \$105,709,000 (2024: \$371,705,000) 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.

	Group		
	Convertible preference shares \$'000	Unquoted equities \$'000	Total \$'000
Balance at 1 January 2024	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	<u>5,506</u>	<u>40</u>	<u>5,546</u>
Balance at 31 December 2024	806,844	77,359	884,203
Additions	-	163,805	163,805
Recognition of call option	(19,619)	-	(19,619)
Net change in fair value	291,510	315,607	607,117
Effect of changes in foreign exchange	<u>8,723</u>	<u>-</u>	<u>8,723</u>
Balance at 31 December 2025	<u>1,087,458</u>	<u>556,771</u>	<u>1,664,229</u>

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

	Note	Group 2025						
		Carrying amount			Fair value			
		FVOCI \$'000	Fair value through profit or loss \$'000	Amortised cost \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Financial assets								
Cash	7	-	-	14,123,147	14,123,147	-	14,123,147	-
Balances with Central Bank	7	-	-	1,734,066	1,734,066	-	1,734,066	-
Resale agreement	10	-	-	3,431,616	3,431,616	-	3,431,616	-
Other assets	13	-	-	7,243,060	7,243,060	-	7,243,060	-
Government of Jamaica	8	35,574,242	-	4,332,284	39,906,526	14,745,978	25,160,548	-
Preference shares	9	-	1,087,458	345,663	1,433,121	-	345,663	1,087,458
Ordinary shares - quoted	9	607,404	2,226,628	-	2,834,032	2,834,032	-	-
Ordinary shares - unquoted	9	310,836	245,935	-	556,771	-	-	556,771
Bonds	9	8,838,109	861,613	8,431,731	18,131,453	4,565,101	13,566,352	-
Treasury bills	-	-	-	6,837,550	6,837,550	-	6,837,550	-
Loans	11	-	-	135,444,769	135,444,769	-	-	133,278,356
Term deposits	9	-	-	764,981	764,981	-	-	764,981
Units in unit trust funds	9	-	<u>5,349,728</u>	-	<u>5,349,728</u>	-	<u>5,349,728</u>	-
		<u>45,330,591</u>	<u>9,771,362</u>	<u>182,688,867</u>	<u>237,790,820</u>	<u>22,145,111</u>	<u>80,109,589</u>	<u>134,922,585</u>
Financial liabilities								
Due to specialised institutions	22	-	-	1,830,837	1,830,837	-	1,830,837	-
Other borrowings	26	-	-	22,376,848	22,376,848	-	22,376,848	-
Repurchase agreements	25	-	-	24,952,046	24,952,046	-	24,952,046	-
Lease liabilities	27	-	-	<u>1,402,413</u>	<u>1,402,413</u>	-	<u>1,402,413</u>	-
		-	-	<u>50,562,144</u>	<u>50,562,144</u>	-	<u>55,080,894</u>	-

32. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONT'D)

(e) (Cont'd)

	Note	Group 2024						
		Carrying amount			Fair value			
		FVOCI \$'000	Fair value through profit or loss \$'000	Amortised cost \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Financial assets								
Cash	7	-	-	14,412,464	14,412,464	-	14,412,464	-
Balances with Central Bank	7	-	-	1,553,933	1,553,933	-	1,553,933	-
Resale Agreement	10	-	-	3,672,217	3,672,217	-	3,672,217	-
Other assets	13	-	-	8,037,008	8,037,008	-	8,037,008	-
Government of Jamaica	8	20,833,637	-	3,298,058	24,131,695	8,558,264	15,573,431	-
Preference shares	9	-	806,844	338,435	1,145,279	-	338,435	806,844
Ordinary shares - quoted	9	678,302	1,945,815	-	2,624,117	2,624,117	-	-
Ordinary shares - unquoted	9	39	77,320	-	77,359	-	-	77,359
Bonds	9	10,442,827	825,656	6,211,412	17,479,895	5,952,082	11,527,813	-
Treasury bills	-	-	-	1,720,078	1,720,078	-	1,720,078	-
Loans	11	-	-	125,529,163	125,529,163	-	-	124,920,152
Term deposits	9	-	-	1,231,381	1,231,381	-	1,231,381	-
Units in unit trust funds	9	-	<u>5,699,543</u>	-	<u>5,699,543</u>	-	<u>5,699,543</u>	-
		<u>31,954,805</u>	<u>9,355,178</u>	<u>166,004,149</u>	<u>207,314,132</u>	<u>17,134,463</u>	<u>66,027,565</u>	<u>125,804,355</u>
Financial liabilities								
Due to specialised institutions	23	-	-	1,885,305	1,885,305	-	1,885,305	-
Other borrowings	26	-	-	22,904,325	22,904,325	-	22,904,325	-
Repurchase agreements	25	-	-	14,708,425	14,708,425	-	15,213,562	-
Lease liabilities	27	-	-	<u>934,897</u>	<u>934,897</u>	-	<u>934,897</u>	-
		-	-	<u>40,432,952</u>	<u>40,432,952</u>	-	<u>40,938,089</u>	-

	Note	Company 2025						
		Carrying amount			Fair value			
		FVOCI \$'000	Fair value through profit or loss \$'000	Amortised cost \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Financial assets								
Cash	7	-	-	178	178	-	178	-
Due from related entities	-	-	-	155,196	155,196	-	155,196	-
Other assets	-	-	-	<u>10,353</u>	<u>10,353</u>	-	<u>10,353</u>	-
		-	-	<u>165,727</u>	<u>165,727</u>	-	<u>165,727</u>	-
Financial liabilities								
Due to related entities	12	-	-	1,034,881	1,034,881	-	1,034,881	-
Other liabilities	24	-	-	417,091	417,091	-	417,091	-
Other borrowings	26	-	-	<u>2,057,095</u>	<u>2,057,095</u>	-	<u>2,057,095</u>	-
		-	-	<u>3,509,067</u>	<u>3,509,067</u>	-	<u>3,509,067</u>	-

	Note	Company 2024						
		Carrying amount			Fair value			
		FVOCI \$'000	Fair value through profit or loss \$'000	Amortised cost \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Financial assets								
Cash	7	-	-	1,054	1,054	-	1,054	-
Bonds	-	-	-	231,398	231,398	-	231,398	-
Due from related entities	-	-	-	157,125	157,125	-	157,125	-
Other assets	-	-	-	<u>1,021</u>	<u>1,021</u>	-	<u>1,021</u>	-
		-	-	<u>390,598</u>	<u>390,598</u>	-	<u>390,598</u>	-
Financial liabilities								
Due to related entities	12	-	-	645,595	645,595	-	645,595	-
Other liabilities	24	-	-	245,335	245,335	-	245,335	-
Other borrowings	26	-	-	<u>2,057,095</u>	<u>2,057,095</u>	-	<u>2,057,095</u>	-
		-	-	<u>2,948,025</u>	<u>2,948,025</u>	-	<u>2,948,025</u>	-

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32. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONT'D)

During the year, the Group experienced fair value gains related to instruments that are measured at FVOCI amounting to \$227,259,000 (2024: \$200,122,000). 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	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Interest income, calculated using the effective interest method:				
Investment securities	4,640,536	4,773,236	55	59
Loans to customers	<u>9,594,966</u>	<u>8,697,643</u>	-	-
	<u>14,235,502</u>	<u>13,470,879</u>	<u>55</u>	<u>59</u>
Interest expense				
Repurchase agreements	(972,879)	(822,421)	-	-
Borrowings	(1,745,892)	(2,435,236)	(185,812)	(191,949)
Shareholders' savings	(2,795,908)	(3,172,755)	-	-
Depositors' savings	<u>(662,084)</u>	<u>(526,247)</u>	-	-
	<u>(6,176,763)</u>	<u>(6,956,659)</u>	<u>(185,812)</u>	<u>(191,949)</u>
Net interest income/(expenses)	<u><u>8,058,739</u></u>	<u><u>6,514,220</u></u>	<u><u>(185,757)</u></u>	<u><u>(191,890)</u></u>

34. NET FEE AND COMMISSION INCOME

	Group		Company	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Fee and commission income				
Customers	2,454,724	2,407,876	-	-
Associated company [39 (c), (vi)]	131,614	131,569	-	-
Other	<u>200,021</u>	<u>333,003</u>	-	-
	<u>2,786,359</u>	<u>2,872,448</u>	-	-
Fee and commission expenses				
Inter-bank transaction fees	(156,012)	(114,217)	-	-
Credit card fees	(77,313)	(59,299)	-	-
Other	<u>(617,834)</u>	<u>(147,182)</u>	-	-
	<u>(851,159)</u>	<u>(320,698)</u>	-	-
Net fee and commission income	<u><u>1,935,200</u></u>	<u><u>2,551,750</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

35. OTHER OPERATING REVENUE

	Group		Company	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Foreign exchange trading gains/(losses), net	1,507,329	1,007,488	22,651	(13)
Fees for late payments	215,790	219,744	-	-
Rent	156,652	93,327	-	-
Dividends - other	181,494	77,239	-	-
Impairment reversal on associate	-	54,638	-	-
Management fees	-	-	324,447	368,318
Gain on investment activities	2,801,927	1,636,618	-	-
(Losses)/gains on disposal of property, plant and equipment	(53,776)	1,745,947	-	-
Unrealised fair value gains on quoted equities and units held in unit trust	180,242	766,219	-	-
Credit card income	125,515	44,002	-	-
Other income *	<u>252,261</u>	<u>136,326</u>	-	-
	<u>5,367,434</u>	<u>5,781,548</u>	<u>347,098</u>	<u>368,305</u>

* Included in other income is the reversal of long outstanding reconciliation items amounting to \$100m (2024: \$Nil).

36. PERSONNEL COSTS

	Group		Company	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Salaries	4,558,060	4,298,942	-	-
Statutory payroll contributions	508,305	390,768	-	-
Group life, pension and health insurance contributions note	295,848	281,938	-	-
Termination payments	181,682	35,044	-	-
Other staff benefits	<u>1,441,198</u>	<u>1,388,650</u>	-	-
	<u>6,985,093</u>	<u>6,395,342</u>	-	-

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.

Notes to the Financial Statements

Year ended December 31, 2025

37. OTHER OPERATING EXPENSES

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Asset taxes	478,045	450,146	-	-
Overseas business development	228,865	204,066	-	-
Irrecoverable GCT	561,285	419,914	-	-
Marketing	309,815	396,043	-	-
Computer maintenance	1,336,216	1,261,505	-	781
Maintenance – buildings, furniture and fixtures	357,743	351,483	-	-
Insurance	326,336	335,730	-	33,460
Administration	605,766	922,285	156,040	147,565
Postage, courier and stationery	185,938	155,057	-	-
Electricity, water and telephone	186,338	189,613	-	-
Consultancy and other professional fees	834,912	573,077	23,382	25,653
Audit fees - current	245,706	283,066	7,200	5,995
- prior	110,626	159,633	5,610	5,725
Directors' fees [note 39 (c)]	131,648	110,240	25,245	11,787
Security	116,006	100,348	-	-
Direct operating expenses for investment property that generated rental income	53,304	53,037	-	-
Credit card expenses	226,913	87,519	-	-
	<u>6,295,462</u>	<u>6,052,762</u>	<u>217,477</u>	<u>230,966</u>

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 33½% for company and regulated local subsidiaries, 30% for the building society 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	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
(i) Current tax expense:				
Current tax at 30%	460,757	14,984	45,163	59,936
Current tax at 15%, 25% and 33½%	209,399	350,604	-	-
Corporate tax credit	(375)	(375)	(375)	(375)
Adjustment for prior year's over provision	17,304	(83,845)	-	-
	<u>687,085</u>	<u>281,368</u>	<u>44,788</u>	<u>59,561</u>

38. INCOME TAX EXPENSE (CONT'D)

- (a) (Cont'd)

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
(ii) Deferred tax credit:				
Origination and reversal of other temporary differences [notes 14(a) and (b)]	(339,828)	(571,148)	(35,568)	(44,318)
Actual tax expense/(credit) recognised	<u>347,257</u>	<u>(289,780)</u>	<u>9,220</u>	<u>15,243</u>

- (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 40% (2024: 54% for the Group and 3% (2024: 2%) for the Company. The actual income tax expense differs from the expected income tax expense for the year, as follows:

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Profit/(loss) before income tax	870,932	533,669	(337,825)	(973,118)
Computed "expected" income tax at 30%	379,340	221,013	-	-
Computed "expected" income tax at 25%, 15% & 33½%	(112,845)	(82,780)	(84,456)	(183,870)
Computed "expected" income tax at 25%	<u>92,895</u>	<u>98,464</u>	-	-
Balance carried forward to page 100	<u>359,390</u>	<u>236,697</u>	<u>(84,456)</u>	<u>(183,870)</u>

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Balance brought forward from page 99	359,390	236,697	(84,456)	(183,870)
Tax effect of treating the following items differently for income tax than for financial statement purposes:				
Tax exempt income	(261,800)	(221,002)	(375)	(375)
Prior year tax losses recognised as deferred tax assets	-	(406,826)	-	-
Impairment loss/(reversal) on financial asset	115,119	50,776	58,658	167,771
Unutilized tax losses	31,389	-	-	-
Other	<u>85,855</u>	<u>134,420</u>	<u>35,393</u>	<u>31,717</u>
	329,953	(205,935)	9,220	15,243
Adjustment for prior years under/(over) provision	<u>17,304</u>	<u>(83,845)</u>	-	-
Actual tax expense/(credit) recognised	<u>347,257</u>	<u>(289,780)</u>	<u>9,220</u>	<u>15,243</u>

Notes to the Financial Statements

Year ended December 31, 2025

38. INCOME TAX EXPENSE (CONT'D)

- (c) As at December 31, 2025, subject to the agreement of the Commissioner General, Tax Administration Jamaica, tax losses available for set off against future profits amounted to \$2,176,206,000 (2024: \$1,256,717,000). 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.

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 apply:

- (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".

39. RELATED PARTY TRANSACTIONS (CONT'D)

- (c) The amounts of related party transactions, outstanding balances at the year end, and related income and expenses for the year are as follows:

[illegible]

Notes to the Financial Statements

Year ended December 31, 2025

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):
- (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 3.0% to 11.74% (2024: 0.1% to 3.5%) and are 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 0.01% to 0.8% (2024: 0.02% to 0.65%) on savings and 0.15% to 7.16% (2024: 0.40% to 2.2%) on fixed deposits.
 - (iii) Resale agreements held with related parties with an average coupon rate of 3.15% to 6.25% (2024: 3.40%-5.35%). Repurchase agreements with an average coupon rate of 1.15% to 7.00% (2024: 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 prior reporting period, The Victoria Mutual Building Society purchased loan portfolio from VM Finance UK Ltd amounting to \$12.3 billion.
- (v) During the year, the Society sold foreclosed properties with carrying amount of \$21.62 to VM Real Estate Holdings Limited. In the previous year, foreclosed properties of \$52.9M were sold to VM Property Services Limited and VM Real Estate Holdings Limited.
- (vi) During the year, the Group earned fees and commission income from associated company British Caribbean Insurance Company Ltd. (BCIC) of \$131,614,000 (2024: \$131,569,000).
- (vii) 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

39. RELATED PARTY TRANSACTIONS (CONT'D)

- (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	
	2025 \$'000	2024 \$'000
Short-term employee benefits	992,901	843,755
Post-employment benefits	19,163	16,242
	<u>1,012,064</u>	<u>859,997</u>

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.

40. CAPITAL COMMITMENTS

Commitments for capital expenditure for the Group amount to approximately \$1,170,749,000 (2024: \$1,033,267,000). 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, 2025, these funds amounted to \$36,619,998,596 (2024: \$37,408,507,000). Additionally, at December 31, 2025, there were custodial arrangements for assets totalling \$54,169,272,000 (2024: \$55,268,097,000).

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, 2025 is \$80,300,000,000 (2024: \$70,000,000,000).

42. DIVIDEND

No dividends were declared during the current financial year.

Notes to the Financial Statements

Year ended December 31, 2025

43. SUBSEQUENT EVENT

- (a) On February 26, 2026, the name of the Society was changed to VM Building Society.
- (b) Impact of war in the Middle East

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

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

Corporate Data

External Auditors

KPMG Chartered Accountants

Bankers

- CIBC First Caribbean International Bank of Jamaica Ltd.
- Citibank N.A. (Jamaica Branch)
- National Commercial Bank Jamaica Ltd.
- Sagcor 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
ACIB, 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

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Fax: (876) 922-6602

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MAY PEN

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Charmaine McConnell-Taylor

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PAPINE

Orlando Maynard

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Shamalla McGregor

Manager, Sales and Service
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Fax: (876) 966-9952

SAVANNA-LA-MAR

Allison Shields

Manager, Sales and Service
123 Great George Street, Savanna-laMar,
Westmoreland
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Fax: (876) 955-4924

SPANISH TOWN

Joy Bunting Pusey

Manager, Sales and Service
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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 America 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
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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





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 **28th day of July, 2026 at 3:00 p.m.** and at any adjournment thereof.

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

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

NOTES:

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





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, 2025, and the Reports of the Directors and Auditors, circulated with the Notice convening the Meeting, be and are adopted."

2. Resolution No. 2 – Retirement of Directors	☐	☐
--	--------------------------	--------------------------

2A. Retirement by Rotation pursuant to Article 82:

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

"**THAT** Director **Mrs. Jeanne Robinson-Foster** 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 \$25,245,000 included in the Audited Accounts of the Company for the year ended December 31, 2025, as remuneration for their services as Directors be and is hereby approved."

	FOR	AGAINST
4. Resolution No. 4 – Appointment of Auditors	☐	☐

To appoint PricewaterhouseCoopers (PwC) as Auditors of the Company to hold office until the next Annual General Meeting, at a remuneration to be fixed by the Directors.

Dated this 10th day of July 2026

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 2026



Annual Report 2025

STRONGER THROUGH SERVICE

DESIGN
VM Creative Unit
VM Group Marketing

PRODUCTION
VM Group Corporate Affairs & Communications
VM Group Limited

AUDITORS
KPMG

**Address**

73-75 Half Way Tree Road
Kingston 10
Jamaica

**Telephone**

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Toll free from Jamaica:
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Toll free from the USA/Canada:
1-866-967-VMBS (8627)

Free phone from the UK:
0-800-068-VMBS (8627)

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1-876-929-5224

Email

manager@myvmgroup.com

